

Honolulu, Hawaii

March 14, 2008

RE: S.B. No. 3016
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 3016, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES,"

begs leave to report as follows:

The purpose of this bill is to ensure competition and consumer choice regarding mutual benefit societies (MBS) by:

- (1) Establishing a cap on the deposit required to operate a MBS at not more than \$20,000,000; and
- (2) Deleting the benefit fund requirement under section 432:1-401, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Requiring the Insurance Commissioner to appoint an independent auditor to conduct a financial and operational audit of mutual benefit societies established in Hawaii prior to 1950;
- (2) Appropriating an unspecified sum for these audits; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3016, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSHUA B. GREEN, M.D., Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

1101-08

Record of Votes of the Committee on Health

Bill/Resolution No.: SB 3016, SD 1	Committee Referral: HLT, CPC, FIN	Date: 3-12-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)	✓			
2. MIZUNO, John (VC)	✓			
3. AWANA, Karen Leinani		✓		
4. BELATTI, Della Au	✓			
5. BERTRAM, Joe, III	✓			
6. CABANILLA, Rida T.R.	✓			
7. RHOADS, Karl	✓			
8. SHIMABUKURO, Maile S. L.	✓			
9. TOKIOKA, James Kunane		✓		
10. WARD, Gene, Ph.D.		✓		
TOTAL (10)	7	3		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				