

STAND. COM. REP. NO.

2613

Honolulu, Hawaii

FEB 28 2008

RE: S.B. No. 2314
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 2314, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to allow small health insurers with less than five per cent of the market share to offer different types of benefits in a single unified policy.

Testimony in support of this measure was submitted by State Farm Insurance Companies, and the Hawaii Medical Assurance Association. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of the Attorney General, and the Hawaii Medical Service Association.

Your Committee finds that this measure is intended to help self-employed workers and small businesses by continuing to allow broader coverage for less cost without affecting the Prepaid Health Care Act. Your Committee notes the testimony submitted in opposition to this measure that raises concerns that this measure will weaken the anti-bundling provisions in the Insurance Code, which are designed to protect consumers from an insurer who refuses to sell one policy unless another policy or policies are also purchased. However, your Committee also recognizes the testimony submitted in the support of this measure from smaller insurance companies who are committed to providing sole

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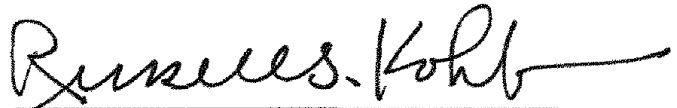


proprietors and independent contractors benefits that are equal to or exceed the benefits that the larger insurance companies offer and who possess a larger portion of the market share.

Your Committee notes that the previous committee, the Committee on Health, changed the effective date of this measure to January 1, 2050. Recognizing that there are many small business owners and independent contractors in the State who are unable to obtain health insurance, your Committee encourages further discussion on this matter as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2314, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



