

STAND. COM. REP. NO. 2508

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 3017
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 Health, to which was referred S.B. No. 3017
entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to by authorize the Insurance
Commissioner to monitor the relationships and transactions between
mutual benefit societies and their affiliates.

Testimony in support of the measure was submitted by the
Department of Commerce and Consumer Protection and the Hawaii
Coalition for Health. Testimony in opposition to the measure was
submitted by the Hawaii Medical Service Association.

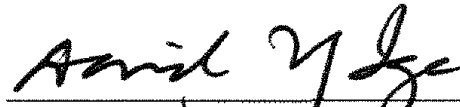
Your Committee finds that mutual benefit societies are
treated differently than other insurers under the Insurance Code,
which includes being subjected to limited regulation by the
Insurance Commissioner. In Hawaii, several mutual benefit
societies provide insurance through the extensive use of their
affiliates, which raises special concerns due to the nature of
such transactions. This measure increases the regulatory
supervision of the Insurance Commissioner over mutual benefit
societies and their relationships and transactions with
affiliates. Your Committee determines that increased regulations
will improve the Insurance Commissioner's ability to protect
consumers from improper transactions between mutual benefit
societies and their affiliates.



Your Committee has amended this measure by changing its effective date to July 1, 2050 to facilitate further discussion on the matter in light of concerns raised regarding the specificity and clarity of the increased regulation to be imposed.

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. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3017, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

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

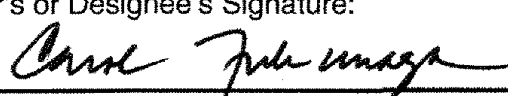


DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 3017	Committee Referral: HTH, CPH	Date: 02-14-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.	✓			
MENOR, Ron	✓			
WHALEN, Paul	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes