



**TESTIMONY OF THE STATE ATTORNEY GENERAL  
TWENTY-FOURTH LEGISLATURE, 2008**

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**ON THE FOLLOWING MEASURE:**

H.C.R. NO. 146, H.D. 1, URGING THE INSURANCE COMMISSIONER TO INITIATE AN INVESTIGATION AND CORPORATE AUDIT OF THE HAWAII MEDICAL SERVICES ASSOCIATION'S PRACTICE OF MAINTAINING AN EXCESSIVE SURPLUS, PROVIDING LARGE BONUSES TO STAFF, AND REIMBURSEMENT PATTERNS OVER THE PAST TEN YEARS TO DETERMINE IF THE CHARITABLE RETURN TO THE COMMUNITY JUSTIFIES ITS NONPROFIT STATUS.

**BEFORE THE:**

HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE AND JUDICIARY

**DATE:** Monday, March 24, 2008 **TIME:** 2:30 PM

**LOCATION:** State Capitol Room 325  
*Deliver to: State Capitol, Room 315, 5 copies*

**TESTIFIER(S):** Mark J. Bennett, Attorney General  
or James F. Nagle, Deputy Attorney General

**LATE TESTIMONY**

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Chairs Herkes and Waters and Members of the Committee:

Originally, this resolution required the Attorney General to conduct an investigation and audit of the Hawaii Medical Services Association. In our prior testimony, we pointed out that it would be more appropriate to have the Insurance Commissioner perform the investigation and audit. The resolution has been amended to substitute the Insurance Commissioner for the Attorney General. We take no position on this resolution so long as it is not amended to require the Attorney General do the investigation and audit.