

House Committee on Consumer Protection and Commerce  
Representative Robert Herkes, Chair  
House Committee on Judiciary  
Representative Tommy Waters, Chair

**Senate Bill 3020, SD 1 - Relating to Activities Regulated by the Insurance Commissioner**

**Hearing Date: March 13, 2008**

**Time: 2:00 PM**

Chair Herkes and Chair Waters and members of the Committee, NAIFA ("National Association of Insurance and Financial Advisors") Hawaii, an organization made up of life insurance agents and financial advisors across Hawaii **supports SB 3020, SD1, but requests an amendment.**

We are limiting our comments to the continuing education credit hours on page 6, lines 16 through page 8, line 7, that will amend the number of continuing education credit hours required to maintain producer licenses.

This measure will **increase** the number of continuing education credit hours from 20 to 24 hours for those with only one line of authority – 21 hours relating to the line of authority for that license; a new part adding 3 hours of ethics training; and deleting the 3 hours for insurance laws and rules.

For those with licenses in both life/accident/health and property casualty, the required credit hours will **decrease** from 30 to 24, whereby 10 hours will relate to life/accident/health; 11 hours will relate to property casualty; a new part adding 3 hours of ethics training; and deleting the 4 hours of insurance laws and rules.

The 3 hours ethics provision is **recommended** by the Uniformity Subgroup of the Producer Licensing Work Group of the NAIC to attain uniformity and reciprocity with other states across the country. Uniformity in agent licensing requirements will help to eliminate multiple inconsistent state licensing rules.

Having said that, since the start of continuing education requirements in Hawaii, producers have been subject to Hawaii insurance laws and rules rather than ethics. There are however, many ethics programs currently being offered which fall under the insurance laws and rules requirements. **We ask that the required 3 hours of ethics training as proposed in this measure, also include Hawaii laws and rules subject to the specific lines of authority.**

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Many CE providers have adjusted their programs to accommodate our insurance laws and rules requirements. Having the Hawaii producers be required to have 3 hours of Hawaii insurance laws and rules and ethics training may be unique to Hawaii but both these areas are important components to the competency of insurance producers.

Mahalo for allowing us to share our views.

Cynthia Hayakawa  
Executive Director





# HIIA

## ***Hawaii Independent Insurance Agents Association***

March 12, 2008

To: Representative Robert N. Herkes, Chair  
Committee on Consumer Protection & Commerce &  
Representative Tommy Waters, Chair  
Committee on Judiciary

From: Hawaii Independent Insurance Agents Association

Re: SB3020, SD1 Relating to Activities Regulated by the Insurance Commissioner  
Hearing: Thursday, March 13, 2008 2:00 pm Conference Room 325

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The Hawaii Independent Insurance Agents **supports** SB3020 SD1 with the following amendment to section 431:9A-124 dealing with Continuing Education. We believe our Continuing Education proposal below will still continue to achieve uniformity and reciprocity as recommended by the National Association of Insurance Commissioners.

Our recommended alternative to the addition of Ethics to Continuing Education is as follows:

Single Line of Authority

21 credit hours in line of authority  
3 credit hours in insurance laws, insurance rules and/or ethics training  
24 total credit hours

Dual Line of Authority –

10 credit hours relating to Life & Health topic  
11 credit hours relating to Property & Casualty topic  
3 credit hours in insurance laws, insurance rules and/or ethics training  
24 total credit hours

HIIA is a non profit trade association of independent insurance producers dedicated to assisting the insurance buying public with their insurance needs. We would like to thank both committees for the opportunity to testify.

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS  
COMMENTING ON S.B. 3020, SD 1, RELATING TO ACTIVITIES REGULATED  
BY THE INSURANCE COMMISSIONER

March 13, 2008

Via E Mail: [cpctestimony@capitol.hawaii.gov](mailto:cpctestimony@capitol.hawaii.gov)  
Representative Robert N. Herkes, Chair  
Committee on Consumer Protection and Commerce  
Representative Tommy Waters, Chair  
Committee on Judiciary  
State House of Representatives  
Hawaii State Capital, Conference Room 325  
415 S. Beretania Street  
Honolulu, HI 96813

Dear Chair Herkes, Chair Waters and Committee Members:

Thank you for the opportunity to comment on SB 3020, SD 1, relating to activities regulated by the Insurance Commissioner.

Our firm represents the American Council of Life Insurers ("ACLI"), a national trade association whose three hundred fifty-three (353) member companies account for 93% of the life insurance premiums and 94% of the annuity considerations in the United States among legal reserve life insurance companies. ACLI member company assets account for 93% of legal reserve company total assets. Two hundred sixty-one (261) ACLI member companies currently do business in the State of Hawaii.

ACLI supports uniform national legislation relating to producer licensing. SB 3020, SD 1, creates uniformity between other states' laws and Hawaii law with regard to licensing requirements. Accordingly, ACLI generally supports the intent and purposes of SB 3020, SD 1.

However, ACLI is in the process of reviewing the amendments made in SB 3020, SD 1, with its member companies and may submit additional oral testimony on this bill at its hearing or in the future.

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