

Honolulu, Hawaii

Ag: 1 30, 2009

RE: H.B. No. 262
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 262, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE FRAUD,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to strengthen efforts to address insurance fraud by:

- (1) Replacing the Department of Commerce and Consumer Affairs' (DCCA) Insurance Fraud Investigations Unit with an Insurance Fraud Investigations Branch (Branch) with the expanded authority to prevent, investigate, and prosecute insurance fraud beyond motor vehicle insurance, to include all lines of insurance except workers' compensation;



- (2) Establishing criminal and administrative penalties, and a civil cause of action, for insurance fraud in all covered lines of insurance and for different types of insurance fraud, including fraudulent applications, claims, and sales; and
- (3) Directing the deposit of fines and settlements resulting from insurance fraud prosecutions into the Compliance Resolution Fund to help the Branch cover the cost of preventing, investigating, and prosecuting insurance fraud.

Current law provides DCCA with express jurisdiction over insurance fraud relating to motor vehicle insurance only. Your Committee on Conference finds that because insurance fraud occurs in every line of insurance, Hawaii's insurance fraud law should be expanded accordingly. By broadening DCCA's jurisdiction over insurance fraud, this bill provides a more comprehensive approach to combating this problem and will help reduce premiums and other costs for Hawaii's consumers and businesses.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that licensed attorneys are exempt from the insurance fraud provisions of this bill only in cases where they represent insurance claimants other than themselves;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

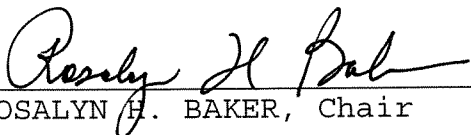
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 262, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 262, H.D. 2, S.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



ROSALYN H. BAKER, Chair



ROBERT N. HERKES, Co-Chair



BRIAN T. TANIGUCHI, Co-Chair



BLAKE K. OSHIRO, Co-Chair



GILBERT KEITH-AGARAN, Co-Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 262, HD 2, SD 2					Date/Time: 4-27-09 2:36 pm				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
TANIGUCHI, Brian T., Co-Chr.	✗				OSHIRO, Blake K., Co-Chr.	✗			
SLOM, Sam				✗	KEITH-AGARAN, Gilbert S.C., Co-Chr.	✓			
					MARUMOTO, Barbara C.	✗			
TOTAL	2	-	-	1	TOTAL	4	-	-	-
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
Distribution: Original					Yellow		Pink		Goldenrod
<i>File with Conference Committee Report</i>					<i>House Clerk's Office</i>		<i>Senate Clerk's Office</i>		<i>Drafting Agency</i>