

Honolulu, Hawaii

APR 30 2009 , 2009

RE: S.B. No. 892
S.D. 1
H.D. 2
C.D. 1

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

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 892, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

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 measure is to update the Insurance Code by:

- (1) Updating statutory references;
- (2) Clarifying allowable investments in common trust funds, mutual funds, and exchange traded funds;
- (3) Imposing a time limit for claiming the Retaliatory Tax Credit;
- (4) Allowing a limited adjuster license for crop insurance claims;



- (5) Updating continuing education requirements;
- (6) Clarifying rate filing requirements, including the acceptance of electronic filing; and
- (7) Authorizing the Insurance Commissioner to require insurance license applicants to provide fingerprints and conduct criminal history record checks.

Your Committee finds that this measure is necessary to bring Hawaii's insurance industry into conformity with best practices in insurance regulation and to respond to changes in the industry. Your Committee notes that the provisions relating to issuance of a surplus lines broker license and continuing education requirements for insurance licensees are based on recommendations by the National Association of Insurance Commissioners (NAIC) and reflect a policy of achieving greater uniformity in insurance regulation across states. Greater uniformity will make insurance regulation less burdensome and simpler for insurers, producers, regulators, and consumers. Further, the audit provisions in this measure are required by the NAIC as a condition of continuing accreditation.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that the annual audits required of each domestic insurer in this State shall be prepared in accordance with the National Association of Insurance Commissioners accounting practices and procedures manual and rules adopted by the Insurance Commissioner;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for the purpose of accuracy.


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 S.B. No. 892, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 892, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROBERT N. HERKES, Co-Chair



ROSALYN H. BAKER, Chair



KEN ITO, Co-Chair



BRIAN T. TANIGUCHI, Co-Chair



GILBERT KEITH-AGARAN, Co-Chair



Hawaii State Legislature

CLR 75

Record of Votes of a
Conference Committee

| | |
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| Bill / Concurrent Resolution No.: SB 892, SD 1, HD 2 | Date/Time: <i>2:45 4/28/09</i> |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

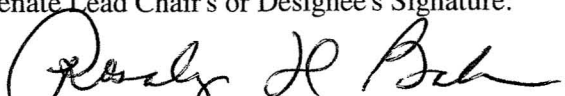
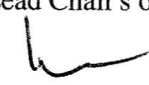
The Committee is reconsidering its previous decision.

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| <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. |
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| 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. | ✓ | | | | ITO, Ken, Co-Chr. | | | | ✓ |
| IGE, David Y. | ✓ | | | | KEITH-AGARAN, Gilbert S.C., Co-Chr. | ✓ | | | |
| HEMMINGS, Fred | | | | ✓ | MARUMOTO, Barbara C. | X | | | <i>MA</i> |
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| TOTAL | 3 | - | - | 1 | TOTAL | 3 | | | 1 |

A = Aye WR = Aye with Reservations N = Nay E = Excused

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| Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted |
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| Senate Lead Chair's or Designee's Signature:  | House Lead Chair's or Designee's Signature:  |
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