

STAND. COM. REP. NO. 1235

Honolulu, Hawaii

March 27, 2009

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

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 892, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to update the Insurance Code
by making various housekeeping or technical changes, including
updating statutory cross references and continuing education
requirements.

Your Committees received testimony in support of this measure
from the Department of Commerce and Consumer Affairs, the American
Council of Life Insurers, the Hawaii Captive Insurance Council,
and the Hawaii Independent Insurance Agents Association. Comments
on the measure were received from the Hawaii Medical Service
Association and the National Association of Insurance and
Financial Advisors.

Your Committees find that this measure will conform the
Insurance Code with best practices standards with respect to
regulating the insurance industry.

Your Committees have amended this measure by:

- (1) Deleting the amendment that allowed audits to be
prepared pursuant to rules adopted by the Insurance

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Commissioner, as an alternative the current requirement to follow the National Association of Insurance Commissioners' accounting practices and procedures;

- (2) Requiring the Insurance Commissioner to provide notice of new continuing education requirements to the appropriate parties;
- (3) Incorporating the contents of H.B. No. 1072, H.D. 1, into the measure which authorizes the Department of Commerce and Consumer Affairs to conduct criminal history record checks on licensees and applicants for licensure under title 24 of the Hawaii Revised Statutes; and
- (4) Requiring insurance license applicants to provide a set of fingerprints for the Insurance Commissioner to obtain and receive national and state criminal history record checks.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 892, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,


JO RIKI KARAMATSU, Chair


ROBERT N. HERKES, Chair



