

STAND. COM. REP. NO.

388

Honolulu, Hawaii

Feb 19, 2009

RE: H.B. No. 1072  
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 H.B. No. 1072 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to ensure the qualifications of those in the insurance industry by requiring insurance license applicants to provide fingerprints and pay a fee in connection with the Insurance Commissioner's (Commissioner) use of national and state criminal history records checks in making a determination of license eligibility.

The Department of Commerce and Consumer Affairs testified in support of this bill. The National Association of Insurance and Financial Advisors - Hawaii supported the intent of this measure. The American Council of Life Insurers provided comments.

Section 431:2-201.3, Hawaii Revised Statutes (HRS), prohibits a person who has been convicted of a felony from engaging in the business of insurance without the Commissioner's written consent. Similar provisions in section 431:9A-112(a), HRS, enumerate the causes for which the Commissioner may deny an insurance producer's license.

HB1072 HD1 HSCR CPC-JUD HMS 2009-1994



Although insurance license applicants are required to disclose their criminal history, there are times when applicants fail to make this disclosure. This bill strengthens the Commissioner's ability to identify applicants who fail to disclose their criminal history.

Your Committees have amended this measure by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

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 H.B. No. 1072, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1072, 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,

  
\_\_\_\_\_  
JON RIKI KARAMATSU, Chair

  
\_\_\_\_\_  
ROBERT N. HERKES, Chair





