

Honolulu, Hawaii

Feb 19, 2009

RE: H.B. No. 1074
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. 1074 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to update the Insurance Code by,
among other things:

- (1) Clarifying the allowable insurer investments in common stocks, common trust funds, mutual funds, and exchange traded funds;
- (2) Establishing a time limit for an insurer to claim the retaliatory tax credit;
- (3) Limiting the issuance of surplus lines broker licenses to licensed producers with certain insurance lines of authority;
- (4) Allowing a limited adjuster license for crop insurance claims;
- (5) Amending the continuing education credit hours required for insurance producer license renewals; and
- (6) Limiting eligibility for the assigned claims program to those with no applicable motor vehicle insurance.



The Department of Commerce and Consumer Affairs and Hawaii Independent Insurance Agents Association testified in support of this bill. The Hawaii Association for Justice opposed this measure. The American Council of Life Insurers, National Association of Insurance and Financial Advisors, and a concerned individual provided comments.

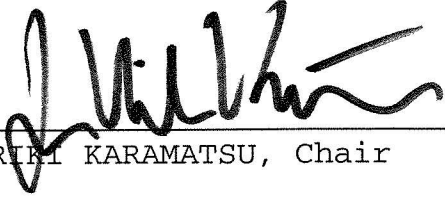
Your Committees have amended this bill by:

- (1) Amending the continuing education requirements for insurance producers to the following:
 - (A) For licenses to sell single lines of insurance, 24 total credit hours, consisting of 21 credit hours relating to the line of insurance and three credit hours relating to ethics training or insurance laws and rules; and
 - (B) For licenses to sell multiple lines of insurance, 24 total credit hours, consisting of three credit hours relating to ethics training or insurance laws and rules and the remaining credit hours relating to the lines of insurance;
- (2) Deleting the provision amending eligibility for the assigned claims program, as this issue is already being considered under H.B. No. 264, 2009;
- (3) Making printed form filings optional for insurance rate filings, in accordance with state plans to begin accepting electronic rate filings and payments for all lines of insurance using the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing; and
- (4) Making technical, nonsubstantive amendments 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. 1074, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1074, 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



