

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2548  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2548 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose of this bill is to update the prepaid legal service plan law, which regulates group legal service plans in which the cost of the services are prepaid by the group member or by some other person or organization on the member's behalf. Specifically, this bill, among other things:

- (1) Clarifies that the authority responsible for regulating Prepaid Legal Service Plans is the Insurance Commissioner;
- (2) Deletes the exemption for insurers regulated under chapters 431 and 432, Hawaii Revised Statutes;
- (3) Clarifies filing requirements;
- (4) Requires the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account; and
- (5) Allows the Commissioner to suspend, revoke, or fine any plan that fails to comply with law.



The Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2548, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,

  
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JON RIKI KARAMATSU, Chair



