

Honolulu, Hawaii

Feb 8, 2010

RE: H.B. No. 2548

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

Sir:

Your Committee on Consumer Protection & Commerce, 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 laws related to Prepaid
Legal Service Plans (PLSPs) to allow the Department of Commerce
and Consumer Affairs (DCCA) to adequately regulate these plans and
enforce these laws. Specifically, this bill:

- (1) Adds definitions for "accumulation or payment of money";
- (2) Clarifies that PLSPs are under the jurisdiction of the
Insurance Commissioner;
- (3) Clarifies provisions relating to funds collected for
PLSPs;
- (4) Updates requirements for annual statements to be
submitted to the Insurance Commissioner, including a
requirement that the statement be compiled, reviewed, or
audited by a certified public accountant;
- (5) Specifies that corrective action needs to be taken
within seven days of receiving notice from the Insurance
Commissioner of noncompliance with the law; and



- (6) Authorizes the Insurance Commissioner to deny, suspend, revoke, or refuse to approve any PLSPs, as well as levy penalties for violation of PLSP laws.

DCCA testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



