

STAND. COM. REP. NO.

2116

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2016

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2016 entitled:

"A BILL FOR AN ACT RELATING TO LIFE SETTLEMENTS,"

begs leave to report as follows:

The purpose of this measure is to continue the ban on stranger oriented life insurance transactions through June 16, 2015.

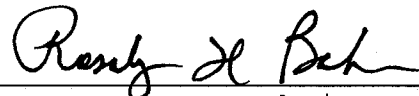
Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, National Association of Life Insurance and Financial Advisors Hawaii, and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a possibility of significant abuse in the stranger oriented life insurance market and that it is in the best interest of the State to continue to prevent the commodification of life insurance policies. Your Committee finds that the traditional life insurance market is based on the concept of an insurable interest between a policy holder and the person whose life is insured. This concept preserves the social purpose of life insurance and helps to insure that that life insurance product will not be abused. Your Committee finds that stranger oriented life insurance policies subvert this fundamental concept and allow gambling on human life.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2016 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



