

Honolulu, Hawaii

March 24, 2010

RE: S.B. No. 2697  
S.D. 1  
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 Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred S.B. No. 2697, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to modernize the Insurance Code  
to make its provisions uniform with the best practices in  
insurance regulation.

The Department of Commerce and Consumer Affairs and Hawaii  
Insurers Council testified in support of this bill with  
amendments. The Hawaii Association of Health Plans, USAA,  
Property Casualty Insurers Association of America, Hawaii Medical  
Service Association, and American Council of Life Insurers  
provided comments.

Your Committees find that this bill promotes efforts to  
achieve national uniformity of insurance laws, streamline  
operations, improve administrative efficiency, and reduce the cost  
of insurance regulation.

Your Committees have amended this bill by:

- (1) Including sales or marketing practices among the  
subjects of written inquiries made by the Insurance



Commissioner for which an insurer or insurance licensee must issue a written response within 15 working days;

(2) Eliminating the following provisions that are contained in other bills that have been enacted into law this session:

(A) Allowing crop insurance adjusters to fulfill their licensing examination requirement by passing an examination approved by the Risk Management Agency of the United States Department of Agriculture. This provision is included in S.B. No. 2017, enacted as Act 6, Session Laws of Hawaii (SLH) 2010; and

(B) Eliminating reference to a repealed provision on minimum surplus requirements for captive insurance companies. This amendment is included in S.B. No. 2812, S.D. 1, enacted as Act 7, SLH 2010;

and

(3) 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 S.B. No. 2697, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,

  
JON W. KARAMATSU, Chair

  
ROBERT N. HERKES, Chair





