

Honolulu, Hawaii

March 16, 2010

RE: S.B. No. 2701
S.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 Consumer Protection & Commerce, to which was referred S.B. No. 2701, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to protect consumers by updating the laws regulating prepaid legal service plans by, among other things:

- (1) Adding definitions of "accumulation or payment of money", "accumulation funds", and "commissioner";
- (2) Deleting the exemption for insurers regulated under Chapters 431 and 432, Hawaii Revised Statutes;
- (3) Clarifying filing requirements;
- (4) Requiring the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account; and
- (5) Allowing the commissioner to suspend, revoke, or fine any plan that fails to comply with the law.

The Department of Commerce and Consumer Affairs 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 S.B. No. 2701, S.D. 1, 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



