

STAND. COM. REP. NO.

122

Honolulu, Hawaii

Feb 8, 2011

RE: H.B. No. 1045

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1045
entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to apply consistent regulatory
treatment to health maintenance organizations, mutual benefit
societies, fraternal benefit societies, managed care plans, and
similar risk-bearing entities by adopting the National Association
of Insurance Commissioners Risk-Based Capital for Health
Organizations Model Act. Among other things, this measure:

- (1) Adds the definitions of "benefit society"; "health
maintenance organization", and "domestic insurer" to the
Hawaii Insurance Code;
- (2) Codifies parameters by which a benefit society or health
maintenance organization's risk-based capital shall be
determined;
- (3) Establishes under what circumstances a property and
casualty insurer, a benefit society, or health
maintenance organization is required to file a risk-
based capital report;
- (4) With respect to a benefit society or health maintenance
organization in the event of a mandatory control level

HB1045 HSCR HLT HMS 2011-1904



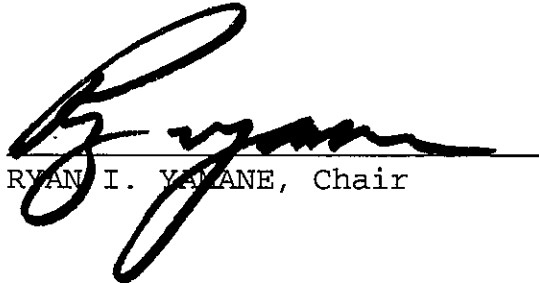
event, provides the Insurance Commissioner with the power to take any actions necessary to cause an insurer to be placed under regulatory control with respect to a benefit society or health maintenance organization;

- (5) Establishes various confidentiality and disclosure requirements for the Insurance Commissioner for certain risk-based capital reports and risk-based capital plans; and
- (6) Allows the Insurance Commissioner to provide various exemptions from risk-based capital requirements to domestic benefit societies or health maintenance organizations that meet certain criteria.

The State Insurance Commissioner and Hawaii Medical Service Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

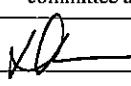


RYAN I. YAMANE, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1045	Committee Referral: Health	Date: 02/04/2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)	✓			
2. MORIKAWA, Dee (VC)	✓			
3. BELATTI, Della Au	✓			
4. HANOHANO, Faye P.	✓			
5. JORDAN, Jo	✓			
6. LEE, Chris	✓			
7. MIZUNO, John M.	✓			
8. WOOLEY, Jessica	✓			
9. CHING, Corinne W.L.	✓			
10. PINE, Kimberly Marcos	✓			
TOTAL (10)	10			
The recommendation is: <input type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				