

Honolulu, Hawaii

Feb 18 , 2011

RE: H.B. No. 1620

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

Sir:

Your Committee on Public Safety & Military Affairs, to which was referred H.B. No. 1620 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to exempt from the laws relating to fraternal benefit societies, associations that:

- (1) Were organized before 1880;
- (2) Consist of members who are active, retired, or honorably discharged members of the United States armed forces or sea services; and
- (3) Have a principal purpose to provide insurance and other benefits to their members and their dependants or beneficiaries.

Testimony in support of this measure was submitted from Navy Mutual. The Department of Commerce and Consumer Affairs supported the intent of the measure.

Your Committee finds that the types of associations proposed to be exempted by this measure pre-date the enactment of existing fraternal benefit society laws in Hawaii and are organized for the benefit of military members and their families. These associations do not operate as commercial insurance companies, but are not specifically exempted from the State's fraternal benefit



code along with societies that insure members of other hazardous occupations. Your Committee notes that, although the Hawaii Insurance Commissioner has historically treated these associations as exempt from the definition of fraternal benefit societies, your Committee finds that this measure would codify this exemption. Your Committee further finds that this measure would clarify the status of these associations so that they may continue to provide benefits to military service members that would not be available otherwise from traditional commercial insurance companies.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620 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 Public Safety &  
Military Affairs,

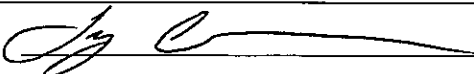
  
HENRY J. C. AQUINO, Chair



HSOR 555

State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

Record of Votes of the Committee on Public Safety & Military Affairs

Bill/Resolution No.: HB 1620	Committee Referral: PBM, CPC	Date: 2/17/2011		
<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)				
PBM Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)	✓			
2. CULLEN, Ty (VC)	✓			
3. ICHIYAMA, Linda	✓			
4. LEE, Marilyn B.	✓			
5. LUKE, Sylvia				✓
6. SAIKI, Scott K.	✓			
7. SOUKI, Joseph M.				✓
8. TAKAI, K. Mark	✓			
9. TAKUMI, Roy M.	✓			
10. YAMASHITA, Kyle T.	✓			
11. FONTAINE, George R.	✓			
12. JOHANSON, Aaron Ling	✓			
TOTAL (12)	10	∅	∅	2
The recommendation is: <input checked="" 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				