

STAND. COM. REP. NO. 690

Honolulu, Hawaii

March 4, 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 Consumer Protection & Commerce, 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 insurance laws for fraternal benefit societies, associations:

- (1) That were organized before 1880;
- (2) That provide insurance and other benefits to their members and their dependents or beneficiaries; and
- (3) Whose members are active, retired, or honorably discharged members of the United States Armed Forces or Sea Services.

The Navy Mutual Aid Association testified in support of this measure. The Department of Commerce and Consumer Affairs testified in support of the intent of this bill.

These associations pre-date the enactment of the fraternal benefit society laws and are organized for the benefit of military members and their families. The longevity of these associations is an indication of their financial stability and thus they should be exempt from these laws.

HB1620 HSCR CPC HMS 2011-2494



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 H.B. No. 1620 and recommends that it pass Third Reading.

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



ROBERT N. HERKES, Chair



