

Honolulu, Hawaii

April 28, 2011

RE: H.B. No. 663
H.D. 2
S.D. 2
C.D. 1

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

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 663, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to require the clear and conspicuous disclosure of automatic renewal clauses and cancellation procedures for all consumer contracts and offers containing such provisions except in the case of the regulated activities of insurers and financial institutions subject to the Insurance Code and Code of Financial Institutions, respectively.

Your Committee on Conference has amended this measure by:

- (1) Exempting mutual and fraternal benefit societies and health maintenance organizations from these requirements;



- (2) Limiting penalties to knowing violations or knowingly failing to cancel an automatic renewal contract on the request of the consumer; and
- (3) Changing its effective date to "upon approval" with the substantive provisions taking effect on July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 663, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 663, H.D. 2, S.D. 2, C.D. 1.


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



ROSALYN HO BAKER, Chair



CLAYTON HEE, Co-Chair



ROBERT N. HERKES, Co-Chair



GILBERT KEITH-AGARAN, Co-Chair



