

STAND. COM. REP. NO.

1423

Honolulu, Hawaii

April 5, 2011

RE: S.B. No. 124
S.D. 1

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 S.B. No. 124, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to allow motor vehicle insurers to replace an insured's policy when it expires with a new policy through an affiliate or subsidiary; provided that the new policy provides the same or better coverage at a lower premium than the expired policy.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies supported this bill.

Your Committee finds that this provision will not only benefit the consumer by providing lower premiums but will also exempt the insurer from prohibitions on cancellation or nonrenewal of motor vehicle policies under these conditions.

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. 124, S.D. 1, and recommends that it pass Third Reading.

SB124 SD1 HSCR CPC HMS 2011-3387



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



ROBERT N. HERKES, Chair



