

CONFERENCE COMMITTEE REP. NO. 16

Honolulu, Hawaii

APR 28 2011 , 2011

RE: S.B. No. 1277
S.D. 2
H.D. 2
C.D. 1

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

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1277, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

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 and intent of this bill is to update the laws regulating legal service plans to enable the Insurance Commissioner to exert more effective oversight of these plans.

Your Committee on Conference finds that, historically, legal service plans have demonstrated a low rate of compliance with applicable regulatory laws. In addition, there is currently no periodic renewal process for legal service plans. Therefore, the Insurance Commissioner has no way to track the continued existence and legitimate operations of legal service plans within the State, or to effectively enforce compliance with the applicable laws. This bill will allow the Insurance Commissioner to operate with more

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certainty and efficiency in exerting oversight of legal service plans in this State.

Your Committee on Conference has amended this measure by:

- (1) Specifying a bond amount of \$100,000 required to secure the faithful performance of the obligations of a legal service plan;
- (2) Specifying fee amounts of \$1,000 and \$500 chargeable by the Insurance Commissioner for issuance of a certificate of authority for authorized legal service plans before July 1, 2014, and on or after July 1, 2014, respectively;
- (3) Specifying fee amounts of \$1,000 and \$500 chargeable by the Department of Commerce and Consumer Affairs for all services provided for authorized legal service plans before July 1, 2014, and on or after July 1, 2014, respectively;
- (4) Inserting an effective date of upon approval; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.


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 S.B. No. 1277, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1277, S.D. 2, H.D. 2, C.D. 1.



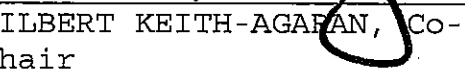
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



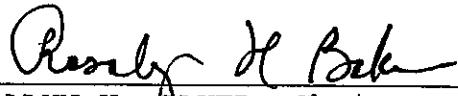
ROBERT N. HERKES, Co-Chair



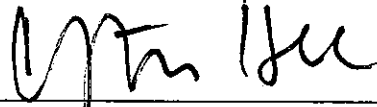
GILBERT KEITH-AGAFAN, Co-Chair



KYLE T. YAMASHITA, Co-Chair



ROSALYN H. BAKER, Chair



CLAYTON HEE, Co-Chair



WILL ESPERO, Co-Chair



