

STAND. COM. REP. NO. 1129

Honolulu, Hawaii

March 24, 2011

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

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 1277, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to more effectively protect
consumers of legal services by strengthening the laws governing
legal service plans.

Specifically, this bill, among other things:

- (1) Makes legal service plans and their owners, operators,
officers, employees, and representatives subject to
investigation or examination by the Insurance
Commissioner;
- (2) Requires legal services plans to obtain a certificate of
authority from the Insurance Commissioner prior to
conducting business in the State;
- (3) Specifies that the bond required to be obtained by a
legal services plan administrator shall run to the State
for the benefit of any claimants against the legal
services plan to secure faithful performance of the
plan's obligations; and

SB1277 HD1 HSCR CPC-JUD HMS 2011-3114



- (4) Establishes an unspecified fee for a legal service plan certificate of authority and an unspecified annual fee for service.

The Department of Commerce and Consumer Affairs supported this bill with amendments.

Your Committees have amended this bill by:

- (1) Making the bill effective upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



GILBERT KEITH-AGARAN, Chair



ROBERT N. HERKES, Chair



