

Honolulu, Hawaii

APR 28 2011 , 2011

RE: S.B. No. 1278
S.D. 1
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. 1278, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

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 measure is to protect insurance consumers, particularly seniors, from abusive practices by adopting model regulations from the National Association of Insurance Commissioners in compliance with the senior investment protection provisions of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Your Committee on Conference finds that adoption of this measure will bring Hawaii's laws into conformity with the requirements of federal law, thereby enabling the Insurance Division of the Department of Commerce and Consumer Affairs to apply for federal grants to fund activities that protect seniors from



misleading or fraudulent marketing in the sale of financial products. Further, there is a real and present need beyond compliance with federal law for the protections included in this measure. The Insurance Division reports the continuing receipt of complaints from consumers, particularly seniors, about abusive or misleading practices in the sale and marketing of annuities. This measure is also fiscally responsible as it allocates the bulk of the training and compliance responsibilities to insurers, thereby strengthening the Insurance Division's regulatory and oversight functions without requiring new expenditures of state resources.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2011; provided that the training and procedural requirements imposed on insurers by sections 2 through 6 shall become effective on January 1, 2012.

Your Committee on Conference finds that this measure, as amended, will allow insurers in the State adequate time to institute training programs and procedures to ensure full compliance with the requirements of this measure.


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. 1278, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1278, S.D. 1, 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


ROSALYN H. BAKER, Chair


GILBERT KEITH-AGARAN, Co-Chair


KYLE T. YAMASHITA, Co-Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1278, SD 1, HD 2	Date/Time: 4-27-2011 10am
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.


Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
GALUTERIA, Brickwood	✓				KEITH-AGARAN, Gilbert S.C., Co-Chr.				✓
TANIGUCHI, Brian T.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
SLOM, Sam				✓	BROWER, Tom	✓			
<i>Solomon, Malama</i>				✓	CABANILLA, Rida T.R.				✓
					MARUMOTO, Barbara C.	✓			
TOTAL	3	-	-	2	TOTAL	4	-	-	2

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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