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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Monday, January 31, 2011
2:00 p.m.

TESTIMONY ON HOUSE BILL NO. 316 - RELATING TO INSURANCE RECORDS

TO THE HONORABLE ROBERT N. HERKES AND MEMBERS OF THE COMMITTEE:

My name is Gordon I. Ito, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department").

The Department opposes this measure.

H. B. No. 316 amends HRS § 431:9A-123(c) to exempt "motor vehicle, or homeowners" producers from maintaining records of their transactions in their offices. Current exemptions from this requirement are currently given to "life or accident and health or sickness insurance if the records of such insurance are customarily maintained in the office of the insurer."

Motor vehicle and homeowner policyholders need quick access to their policies when filing claims when the needs arise. The availability of their policies in a local office with their producers is extremely beneficial to policyholders who seek quick access to information and immediate answers to their questions rather than waiting for responses from out-of-state offices. For this reason, motor vehicle and homeowner producers should not be exempt from this requirement.

We thank this Committee for the opportunity to present testimony on this matter and respectfully request that this bill be held in this Committee.

**HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE**

January 31, 2011

House Bill 316 Relating to Insurance Records

Chair Herkes and members of the House Committee on Consumer Protection & Commerce, I am Rick Tsujimura, representing State Farm Insurance Companies, a mutual company owned by its policyholders. State Farm supports House Bill 316 Relating to Insurance Records.

Currently insurance producers are required to maintain physical records of all transactions consummated in their offices. However, there was an exception created for life, accident, and health or sickness insurance, if the records required of such insurance are customarily maintained in the offices of the insurer. Most insurers and producers now maintain these records electronically and are available for the producer from the insurer. We are therefore supporting an expansion of the exception to include motor vehicle and homeowners insurance.

For the reasons stated above, we urge your committee to approve this measure. Thank you for the opportunity to present this testimony.