

Honolulu, Hawaii

Feb 7, 2012

RE: H.B. No. 2504
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2504
entitled:

"A BILL FOR AN ACT RELATING TO ENTITIES REGULATED BY THE
INSURANCE COMMISSIONER,"

begs leave to report as follows:

The purpose of this measure is to make various amendments to
laws relating to entities regulated by the Department of Commerce
and Consumer Affairs' Insurance Division including:

- (1) Statutorily establishing certain fees and penalties for
mutual benefit societies;
- (2) Clarifying provisions relating to certificates of
registration and certificates of authority of mutual
benefit societies;
- (3) Deleting obsolete provisions;
- (4) Increasing certain filing fees for fraternal benefit
societies and health maintenance organizations; and
- (5) Clarifying laws relating to service contracts.

The Department of Commerce and Consumer Affairs supported
this measure with amendments. The Hawaii Medical Service
Association provided comments.

HB2504 HD1 HSCR HLT HMS 2012-1604

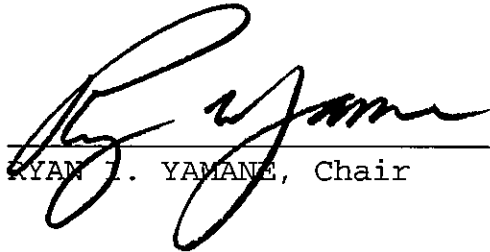


Your Committee has amended this measure by:

- (1) Requiring rather than allowing the Insurance Commissioner to adopt rules for the implementation and administration of the laws relating to mutual benefit societies;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health,



RYAN I. YAMANE, Chair



