

Honolulu, Hawaii

FEB 17 , 2012

RE: H.B. No. 2504
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2504, H.D. 1, 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 and directing their deposit into the Compliance Resolution Fund;
- (2) Clarifying provisions relating to certificates of registration and certificates of authority for mutual benefit societies;
- (3) Deleting obsolete provisions in Hawaii Revised Statutes;
- (4) Increasing certain filing fees for fraternal benefit societies and health maintenance organizations and directing their deposit into the Compliance Resolution Fund; and
- (5) Clarifying laws relating to service contracts.



The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Medical Service Association and American Council of Life Insurers submitted comments.

Your Committee has amended this bill by:

- (1) Allowing rather than requiring the Insurance Commissioner to adopt rules for the implementation and administration of the laws relating to mutual benefit societies;
- (2) Deleting provisions relating to service contracts;
- (3) Modifying the procedures for late renewals of certificates of authority;
- (4) Deleting the specific amounts of certain filing fees for fraternal benefit societies; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2504, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


ROBERT N. HERKES, Chair



