

STAND. COM. REP. NO.

2513

Honolulu, Hawaii

MAR 01 2012

RE: S.B. No. 2009

S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2009 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to regulate the use of claims history information for homeowners insurance and provide certain consumer protections with respect to the use of this information.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council, Property Casualty Insurers Association of America, State Farm Insurance Companies, and National Association of Mutual Insurance Companies.

Your Committee finds that claims history databases provide insurance companies access to consumer claims information. This measure regulates the use of claims history reports by home insurers in Hawaii.

Your Committee has heard the concerns that some of the provisions in this measure may result in higher prices or reduced availability of homeowners insurance. Your Committee notes that the federal Fair Credit Reporting Act provides consumers similar rights with regard to claims history reports and credit reports;



however, there is merit to establishing certain state controls over the use of claims history reports when no claim is made.

Your Committee has amended this measure by:

- (1) Adding the new part, Homeowners Insurance Claims History, to chapter 431, article 10E, Hawaii Revised Statutes, rather than chapter 431, article 10, Hawaii Revised Statutes;
- (2) Deleting certain definitions and the sections relating to the use of insurance claims history information generally, dispute resolution and error correction, disclosure to insurance consumers, treatment of certain information, and disclosures by claims history report providers;
- (3) Clarifying how an insurer may use inquiries made by a consumer; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, S.D. 1, and be placed on the calendar for Third Reading.

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

  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 2009</b>	Committee Referral: <b>CPN</b>	Date: <b>2/24/12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam				✓
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes