

STAND. COM. REP. NO.

2036

Honolulu, Hawaii

FEB 07 2012

RE: S.B. No. 2766  
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. 2766 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to update the Insurance Code as it relates to entities regulated by the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from Hawaii Medical Service Association.

Your Committee finds that this measure provides clarity to the licensing and regulation process by removing or revising certain provisions in the Insurance Code that relate to the licensing and regulation of mutual benefit societies and health maintenance organizations. Your Committee further finds that this measure also updates fees and financial regulations in the Insurance Code, thus promoting consistency with the laws governing traditional insurance companies.

Your Committee has amended this measure by:



- (1) Specifying that the Insurance Commissioner, prior to revoking a certificate of authority, shall provide a mutual benefit society with written notice of a delinquency of certificate renewal and imposition of a penalty;
- (2) Authorizing the Insurance Commissioner to revoke a certificate of authority if the renewal fee and penalty are not paid within the thirty days immediately following the provision of written notice of a delinquent renewal, rather than within thirty days of the renewal date;
- (3) Deleting the provisions in the measure relating to service contracts; 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. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2766, S.D. 1, and be referred to the Committee on Ways and Means.

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

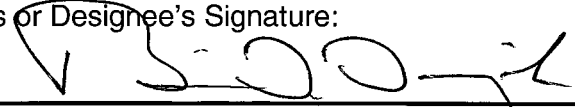


ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2766	CPN, WAM	2-2-12		
<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>	6	0	0	1
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