

Honolulu, Hawaii

APR 26 2012

RE: S.B. No. 3062
S.D. 1
H.D. 2
C.D. 1

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

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3062, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to enact the Life Settlements Model Act, which establishes consumer protections in life settlement transactions in which the owner of a life insurance policy transfers the death benefit to another person or entity in return for compensation that is more than the policy's cash surrender value but less than its expected death benefit.

Your Committee on Conference finds that thirty-nine states currently regulate life settlements. Until its sunset in 2010, Act 177, Session Laws of Hawaii 2008, determined Hawaii's insurance regulation of life settlement contracts. Act 177 implemented the Life Settlements Model Act as adopted by the National Conference on



Insurance Legislators and was intended to protect individuals, particularly senior citizens and those suffering from chronic or terminal illness, from fraudulent activity relating to the selling and buying of life insurance policies.

Your Committee on Conference further finds that life insurance policyholders could be open to victimization by unscrupulous persons or entities unless life settlements are once again regulated in the State. This measure will offer Hawaii's consumers and the elderly effective and comprehensive protection against stranger-originated life insurance transactions and other fraudulent life settlement practices.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person is prohibited from entering into a premium finance agreement, rather than a premium finance loan, with any person or agency under certain conditions and specifying other prohibitions relating to premium finance agreements;
- (2) Inserting an effective date of July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3062, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3062, S.D. 1, H.D. 2, C.D. 1.


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

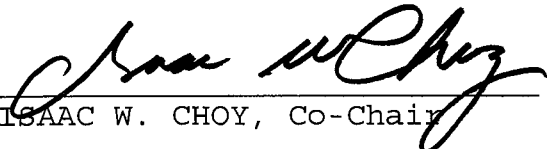
ON THE PART OF THE SENATE



ROBERT N. HERKES, Co-Chair



ROSALYN H. BAKER, Chair



ISAAC W. CHOY, Co-Chair

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Hawaii State Legislature

CLR 17-12

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 3062, SD 1, HD 2	Date/Time: 4-26-2012 9:22
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
TANIGUCHI, Brian T.	✓				CHOY, Isaac W., Co-Chr.	✓			
SLOM, Sam				✓	TSUJI, Clift	✓			
					MARUMOTO, Barbara C.	✓			
TOTAL	2	-	-	1	TOTAL	4	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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