

STAND. COM. REP. NO. 3110

Honolulu, Hawaii

MAR 30 2012

RE: S.C.R. No. 44
S.D. 1

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

Sir:

Your Committees on Human Services and Commerce and Consumer Protection, to which was referred S.C.R. No. 44 entitled:

"SENATE CONCURRENT RESOLUTION ESTABLISHING THE LONG-TERM CARE FINANCING TASK FORCE TO CONDUCT A FEASIBILITY STUDY ON THE VIABILITY OF USING ACCELERATED DEATH BENEFITS AND VIATICAL SETTLEMENTS AS SOURCES OF FUNDING FOR LONG-TERM CARE NEEDS,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Insurance Commissioner to convene a Long-term Care Financing Task Force to coordinate research and recommendations on the use of accelerated death benefits and viatical settlements to fund long-term care services and supports.

Your Committees received testimony in support of this measure from the Insurance Commissioner. Your Committees received testimony in opposition to this measure from the American Council of Life Insurers. Your Committees received comments on this measure from the National Association of Insurance and Financial Advisors Hawaii.

Your Committees find that as the cost of long-term care services increases, individuals without long-term care insurance seek other sources of funding for long-term care needs. Some have considered accelerated death benefits and viatical settlements as possible funding sources for long-term care services. Your Committees also find that existing provisions in the Hawaii Insurance Code and Hawaii Administrative Rules may impede the use



of accelerated death benefits for long-term care, and viatical settlements are currently unregulated in Hawaii and could put policyholders at risk of being victimized by unscrupulous business practices.

Your Committees therefore have determined that this measure may be premature and find that more information must be gathered on viatical settlements and accelerated benefits in Hawaii to determine whether they may serve as feasible and safe funding sources for long-term care needs.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Requests the Insurance Commissioner to conduct a fact-finding and feasibility study on the viability of using accelerated death benefits and viatical settlements as a source of funding for long-term care needs;
- (2) Requests the American Council of Life Insurers, the National Association of Insurance and Financial Advisors Hawaii, and life settlements brokers selling life settlement policies in Hawaii to assist the Insurance Commissioner in conducting necessary studies and completing the report;
- (3) Requests the Insurance Commissioner to submit a report to the Legislature of its findings and recommendations, with the assistance of the Legislative Reference Bureau, no later than twenty days prior to the convening of the Regular Session of 2013; and
- (4) Amends the title accordingly.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 44, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 44, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair



SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i


Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* <i>SCR 44</i>	Committee Referral: <i>HMS/CDN, WAM</i>	Date: <i>3/29/12</i>		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

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:		
SCR 44	HMS/CPN, WAM	3-30-12		
<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	✓			
TOTAL	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes