

Honolulu, Hawaii

MAR 30 2012

RE: S.R. No. 52

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.R. No. 52 entitled:

"SENATE RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO REVIEW THE ACCUMULATION OF CAPITAL RESERVES AND SURPLUS OF MANAGED CARE PLANS WHEN REVIEWING RATE FILINGS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Insurance Commissioner to review the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that managed care plans in Hawaii need monetary reserves to cover unanticipated claims and unforeseen business fluctuations, but the accrual of excessive amounts of reserves may result in managed care plan subscribers paying a higher premium rate than is justified. Your Committee further finds that an effective rate review system under the Patient Protection and Affordable Care Act requires consideration of capital reserves and surplus of managed care plans. This measure requests the Insurance Commissioner to consider the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings and to submit a report and proposed legislation to enable the Insurance Commissioner to make these considerations when reviewing rate filings.



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 concurs with the intent and purpose of S.R. No. 52 and recommends that it be referred to the Committee on Ways and Means.

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

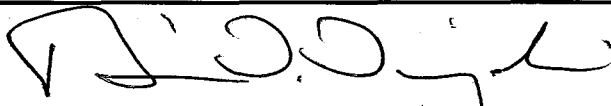


ROSALYN H. BAKER, Chair



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:		
SR52	CPN, WAM	3-28-12		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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