

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
COMMENTING ON SENATE BILL 2766, SD1, RELATING TO ENTITIES REGULATED
BY THE INSURANCE COMMISSIONER

February 23, 2012

Via e mail: wamtestimony@capitol.hawaii.gov

Hon. Senator David Y. Ige, Chair
Committee on Ways and Means
State Senate
Hawaii State Capitol, Conference Room 211
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ige and Committee Members:

Thank you for the opportunity to comment on SB 2766, SD 1, Relating to Entities Regulated by the Insurance Commissioner.

Our firm represents the American Council of Life Insurers (“ACLI”), a national trade association, who represents more than three hundred (300) legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies account for 90% of the assets and premiums of the United States Life and annuity industry. ACLI member company assets account for 91% of legal reserve company total assets. Two hundred thirty-five (235) ACLI member companies currently do business in the State of Hawaii; and they represent 93% of the life insurance premiums and 92% of the annuity considerations in this State.

Section 10 of SB 2766, , SD1, proposes to increase a fraternal benefit society’s fee for the filing of its annual financial reports (at page 11, lines 16-22) and for its license to do business in this State (AT page 13, at lines 12 - 15) from \$7.50 to \$300. This represents a fee increase of 4,000%. While ACLI fraternal benefit members do not object to the payment of reasonable fees to the Department to cover its cost for services rendered, there has been no showing by the Department that its cost for such services warrant the 4,000 % increase proposed in the bill.

Again, thank you for the opportunity to comment on SB 2766, SD 1.

LAW OFFICES OF
OREN T. CHIKAMOTO
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A handwritten signature in black ink, appearing to read "Oren T. Chikamoto". The signature is stylized with a large initial "O" and a prominent "C".

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