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TO THE SENATE COMMITTEE ON WAYS AND MEANS  
TWENTY-SIXTH LEGISLATURE  
Regular Session of 2012

Wednesday, April 11, 2012  
9:35 a.m.

**TESTIMONY ON SENATE CONCURRENT RESOLUTION NO. 108, SENATE RESOLUTION NO. 52 – REQUESTING THE INSURANCE COMMISSIONER TO REVIEW THE ACCUMULATION OF CAPITAL RESERVES AND SURPLUS OF MANAGED CARE PLANS WHEN REVIEWING RATE FILINGS.**

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports the intent of S.C.R. No. 108 and S.R. 52 requesting the Commissioner to consider reserves and surplus when reviewing rate filings.

The resolution also requests the Commissioner submit a report and proposed legislation regarding controlling the reserves and surplus of managed care plans when reviewing rate filings. The Department believes this is a logical next step in studying this issue and making a recommendation through proposed legislation.

We thank this Committee for the opportunity to testify on this matter.