

LATE

LATE

LATE

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
IN OPPOSITION TO HOUSE BILL 2048, RELATING TO INSURANCE CONTRACTS

January 27, 2014

Via e mail: houseinterpreter@capitol.hawaii.gov

Honorable Representative Angus L. K. McKelvey, Chair
Committee on Consumer Protection & Commerce
State House of Representatives
Hawaii State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair McKelvey and Committee Members:

Thank you for the opportunity to testify in opposition to HB 2048, relating to Insurance Contracts.

Our firm represents the American Council of Life Insurers (“ACLI”), a Washington, D.C., based trade association with more than 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Two hundred twenty-five (225) ACLI member companies currently do business in the State of Hawaii; and they represent 92% of the life insurance premiums and 90% of the annuity considerations in this State.

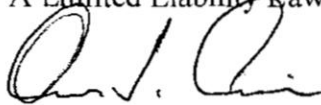
Currently, Hawaii law provides that where a life insurer has contested its liability under the policy and is ordered by the court in a judicial proceeding to pay the benefits under the policy, the life insure must also pay the insured’s attorney’s fees and costs incurred in the dispute.

ACLI opposes HB 2048 as the proposed bill would greatly expand an insurer’s liability to pay for the insured’s legal expenses from instances in which the life insurer is ordered by a court to pay benefits to the insured to all orders issued by either a court or arbitrator to provide coverage under the policy. This would radically expand an insurer’s liability in resolving coverage disputes.

For the foregoing reason, ACLI strongly opposes HB 2048 and requests that this Committee defer passage of this bill.

Again, thank you for the opportunity to testify in opposition to HB 2048, relating to Insurance Contracts.

LAW OFFICES OF
OREN T. CHIKAMOTO
A Limited Liability Law Company

A handwritten signature in black ink, appearing to read "Oren T. Chikamoto". The signature is fluid and cursive, with the first name "Oren" and last name "Chikamoto" clearly distinguishable.

Oren T. Chikamoto
1001 Bishop Street, Suite 1750
Honolulu, Hawaii 96813
Telephone: (808) 531-1500
Facsimile: (808) 531-1600
E mail: otc@chikamotolaw.com