

STAND. COM. REP. NO.

1546

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 1073
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1073, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DENTAL SERVICE CORPORATIONS,"

begs leave to report as follows:

The purpose of this measure is to establish a regulatory framework, compatible with the Patient Protection and Affordable Care Act, for dental service corporations in their provision or arrangement of dental insurance plans including:

- (1) Requirements for a certificate of authority to establish and operate a dental service corporation, including net worth requirements;
- (2) Reports to the Insurance Commissioner, including audits of financial statements, list of providers, and a description of grievance procedures;
- (3) Protections afforded enrollees and subscribers due to a corporation's insolvency, including required deposits by a corporation, immunities from the claim against a corporation, and provisions for replacement coverage;
- (4) Filing and service fees chargeable by the Commissioner to a corporation; and

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- (5) The authority and power of the Commissioner to enforce the provisions and requirements contained in this measure.

The Hawaii Dental Association testified in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this measure by deleting from the definition of "uncovered expenditures" specific examples of services, the costs of which are considered uncovered expenditures.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 2, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



