

Honolulu, Hawaii  
March 21, 2014

RE: S.B. No. 2821  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2821, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to update various provisions in the Insurance Code that are recommended by the National Association of Insurance Commissioners (NAIC) to ensure the Department of Commerce and Consumer Affairs Insurance Division maintains its NAIC accreditation.

Specifically, this measure adopts revisions to the NAIC's model laws on Credit for Reinsurance Model Act, Standard Valuation Law, Standard Nonforfeiture Law for Life Insurance, and Insurance Holding Company System Regulatory Act.

The Department of Commerce and Consumer Affairs, American Council of Life Insurers, USAA, and Island Insurance Companies testified in support of this measure.

Your Committee has amended this measure by:

- (1) Adding a definition of "domestic single-state insurer" to Article 11 of the Insurance Code;

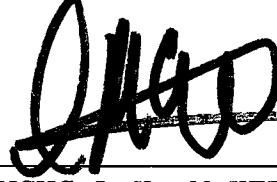


- (2) Specifying that an insurer shall file financial statements upon request of the Insurance Commissioner (Commissioner);
- (3) Removing language that requires insurers to file any other information required by the Commissioner by rule;
- (4) Exempting a domestic single-state insurer from filing an annual enterprise risk report under certain circumstances;
- (5) Exempting certain standards and management requirements for a domestic insurer concerning the board of directors under certain circumstances;
- (6) Clarifying the authority of the Commissioner when examining an insurer to ascertain the financial condition of the insurer;
- (7) Providing reasons why the Commissioner may order any insurer registered under section 431:11-105 to provide certain information;
- (8) Clarifying the Commissioner's authorities in the event that an insurer fails to comply with the Commissioner's request to provide certain required information;
- (9) Deleting language concerning the obligation of persons to attend as a witness pursuant to a subpoena;
- (10) Changing the effective date of part I to December 21, 2113, and parts II, III, and IV, to December 21, 2112, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2821, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



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



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ANGUS L.K. MCKELVEY, Chair



