

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 2539
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2539, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to facilitate the establishment of health savings accounts in addition to group health insurance, including employer-sponsored group health insurance under the Prepaid Health Care Act.

The Hawaii Medical Association, Outrigger Enterprises Group, and Alexander & Baldwin, Inc. testified in support of this measure. The Department of the Attorney General and ILWU Local 142 testified in opposition. The Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, and Hawaii Medical Service Association provided comments.

Among other things, your Committee has amended this measure by:

- (1) Specifying that the employer cooperate with and provide certification to the Department of Labor and Industrial Relations, rather than an insurer or mutual benefit society, regarding proof of compliance with limitations set on the provision of a health savings account program; and



- (2) Removing provisions requiring insurers and mutual benefit societies to:
 - (A) Retain an employer's certification for five years; and
 - (B) Submit an annual report to the Insurance Commissioner regarding plan participation, funding, and performance; and
- (3) Making technical, nonsubstantive amendments for 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 H.B. No. 2539, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2539, H.D. 2.

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



ANGUS L.K. McKELVEY, Chair



