Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2853 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1)   Adopt the National Association of Insurance
        Commissioners' Risk Management and Own Risk and Solvency
        Assessment Model Act;

(2)   Apply certain requirements for risk-based capital and
        severability and notice provisions to risk retention
        captive insurance companies; and

(3)   Adopt the National Association of Insurance
        Commissioners Model Risk Retention Act.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs, American
Council of Life Insurers, National Association of Mutual Insurance
Companies, Property Casualty Insurers Association of America, and
Hawaii Medical Service Association. Your Committee received
comments on this measure from the Office of Information Practices.

Your Committee finds that the National Association of
Insurance Commissioners has required all states to adopt its Risk
Management and Own Risk and Solvency Assessment Model Act by

January 1, 2018, to maintain accreditation with the National
Association of Insurance Commissioners. The Risk Management and
Own Risk and Solvency Assessment Model Act has been adopted in
thirty-five states and reflects a reasoned approach that enhances
insurer solvency and risk management, while also protecting
consumers and market competition. Accordingly, this measure
adopts the Risk Management and Own Risk and Solvency Assessment
Model Act, which will enable the Insurance Division of the
Department of Commerce and Consumer Affairs to retain its
accreditation and adopt updated rules prior to the 2018 deadline.

Your Committee further finds that this measure makes other
amendments to the insurance code for purposes of maintaining
National Association of Insurance Commissioners accreditation,
including applying supplemental provisions, rules, and exceptions
for risk-based capital and severability and notice provisions to
risk retention captive insurance companies and adopting the
National Association of Insurance Commissioners' Model Risk
Retention Act.

Your Committee has amended this measure by making technical,
nonsubstantive amendments for the purposes of clarity and
consistency.

As affirmed by the record of votes of the members of your
Committee on Commerce, Consumer Protection, and Health that is
attached to this report, your Committee is in accord with the
intent and purpose of S.B. No. 2853, as amended herein, and
recommends that it pass Second Reading in the form attached hereto
as S.B. No. 2853, S.D. 1, and be referred to your Committee on
Ways and Means.

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

_____
ROSALYN H. BAKER, Chair

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2853	C PH, WAM	2-3-16

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312   ☑ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	7			

Recommendation: ☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature: _Michelle N. Kidani_

Distribution:	Original	Yellow	Pink	Goldenrod
	File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy

*Only one measure per Record of Votes

Revised: 6/4/15