

STAND. COM. REP. NO.

1315

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 885

S.D. 2

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 885, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION,"

begs leave to report as follows:

The purpose of this measure is to assist the Comptroller in procuring insurance coverage for the State by allowing insurers procured by the Comptroller to be exempt from certain provisions of the Insurance Code.

The Department of Accounting and General Services testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by deleting the provision allowing insurers procured by the Comptroller to be exempt from certain provisions of the Insurance Code and instead providing that if a broker submits a proposal in response to a fixed fee solicitation by the Comptroller, the broker's performance of the activities in accordance with the proposal shall not violate sections 431:10-218, 431:13-101, and 431:13-103, Hawaii Revised Statutes. This will enable a broker to accept a

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flat fee from the State instead of a commission upon sale of a policy to the State.

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. 885, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



ROY M. TAKUMI, Chair



