

STAND. COM. REP. NO.

1322

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 953

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. 953, 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 make housekeeping and other amendments to the State's Insurance Code relating to third-party claimants, insurance fraud penalties, certificates of authority requirements, certificate of authority fees for applications from motor vehicle insurance self-insurers, nonresident adjusters, insurance producer licensing, and supervisory proceedings undertaken by the Insurance Commissioner.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Medical Service Association testified in support of the intent of this measure. The American Council of Life Insurers, Hawaii Insurers Council, National Association of Insurance and Financial Advisors Hawaii, and USAA provided comments.

Your Committee has amended this measure by:

- (1) Subjecting the payment of the general excise tax and the certificate of ownership fee by an insurer in a total

SB953 HD1 HSCR CPC HMS 2017-3176



loss motor vehicle damage liability claim to Section 663-31, Hawaii Revised Statutes;

- (2) Deleting the disclosure requirement by an insurer to third party claimants at the time of the settlement of a total loss motor vehicle claim;
- (3) Deleting the requirement that an insurance producer notify the Insurance Commissioner within 30 days following the effective date of termination of an appointment, employment, contract, or other insurance business relationship with an insurer; and
- (4) 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 S.B. No. 953, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 953, 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



