

STAND. COM. REP. NO.

573

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1087  
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 H.B. No. 1087 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 of the State's insurance code relating to insurance fraud penalties; certificates of authority; motor vehicle insurance self-insurers; nonresident adjusters; insurance producer licensing; third-party claimants; 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 Hawaii Insurers Council, Property Casualty Insurers Association of America, and National Association of Insurance and Financial Advisors provided comments.

Your Committee has amended this measure by:

- (1) Making amendments that conform portions of Hawaii's insurance code to the National Association of Insurance Commissioners' Producer Licensing Model Act effective on January 1, 2019;

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- (2) Clarifying the process for payment of general excise tax and certificate of ownership fees when a motor vehicle insurer settles a total loss motor vehicle damage liability claim with a third-party claimant;
- (3) Changing its effective date to July 1, 2112, to facilitate further discussion; 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 H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, 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,



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ANGUS L.K. MCKELVEY, Chair



