Honolulu, Hawaii

February 9 , 2018

RE: H.B. No. 2346 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred H.B. No. 2346 entitled:

"A BILL FOR AN ACT RELATING TO THIRD PARTY ADMINISTRATORS," begs leave to report as follows:

The purpose of this measure is to better protect Hawaii consumers and promote the transparency of third party administrators operating in the State by:

- (1) Promoting the financial responsibility of third party administrators;
- (2) Regulating the professional practices of third party administrators; and
- (3) Establishing the qualifications and procedures for the licensing of third party administrators.

The Department of Commerce and Consumer Affairs supported this measure. The Hawaii-Western Management Group submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying the confidentiality and privilege protections of the documents, materials, and other information in the possession or control of the Insurance Commissioner that were furnished by the third party administrator, payor, insurance producer, or an employee or agent thereof;
- (2) Expanding the types of insurance handled by third party administrators to include annuity, stop-loss, and workers' compensation insurance;
- (3) Changing its effective date to July 1, 3000, to encourage 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 Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2346, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Intrastate Commerce,

TAKASHI OHNO, Chair

State of Hawaii House of Representatives #SC 12 209-18 The Twenty-ninth Legislature

Record of Votes of the Committee on Intrastate Commerce

Bill/Resolution No.: Committee HB 2346 TAC	e Referral:	Date:	2/6/201	Х
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
IAC Members	Ayes	Ayes (WR)	Nays	Excused
1. OHNO, Takashi (C)				
2. CHOY, Isaac W. (VC)				
3. CACHOLA, Romy M.			_	
4. FUKUMOTO, Beth				
5. ITO, Ken			. T. Selvetor acentros en l'	e german distriction in Figure
Lappecon Mada				
6. LoPRESTI, Matthew S.				
7. ONISHI, Richard H.K.				
7. Oldsin, Richard II.X.				
8. TOKIOKA, James Kunane				
9. WOODSON, Justin H.				<u> </u>
10. WARD, Gene			* 12	engalalalalalalan etm
TOTAL (10)	10			···
The recommendation is: Adopted If joint referral, committee acronypa(s) Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee Duplicate (Yellow - Chief Clerk's Office Duplicate (Pink) - HMSO				