

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,



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TAKASHI OHNO, Chair



