

Honolulu, Hawaii

February 15, 2018

RE: H.B. No. 2346
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2346, H.D. 1, 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 on behalf of insurers 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 Insurance Division of the Department of Commerce and Consumer Affairs and Hawaii-Western Management Group supported this measure.



Your Committee has amended this measure by:

- (1) Clarifying that prior to the issuance of an administrator license, the administrator is required to file a surety bond with the insurance commissioner which shall remain in force for the duration of licensure; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

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. 2346, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2346, H.D. 2.

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



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The Twenty-ninth Legislature

HSCR 497-18

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2346, HD 1	Committee Referral: IAC, CPC, FIN	Date: 2/12/18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	/			
4. ITO, Ken				/
5. JOHANSON, Aaron Ling	/			
6. LoPRESTI, Matthew S.	/			
7. MIZUNO, John M.	/			
8. SAY, Calvin K.Y.	/			
9. TOKIOKA, James Kunane	/			
10. YAMANE, Ryan I.	/			
11. McDERMOTT, Bob				/
TOTAL (11)	9	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
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