STAND. COM. REP. NO. 1723

Honolulu, Hawaii

March 24

, 2017

RE:

S.B. No. 1077

S.D. 1 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. 1077, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to ensure that Hawaii's mutual benefit societies maintain a minimum net worth reflective of actual risk by stipulating that the calculation of a mutual benefit society's net worth be made using gross annual net premium revenues and gross annual health care expenditures.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Medical Assurance Association testified in opposition to this measure.

Your Committee has amended this measure by requiring that in determining net worth requirements, the gross annual premium revenues and gross annual health care expenditures must be reduced by the total amount ceded to reinsurers, provided that the reinsurance credit taken complies with credit for reinsurance requirements.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to

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this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, 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

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 1323

Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.: 56 1077 59 1 | Committee | | D | 03/22 | 117 |
|---|---|----------|-----------|-------|---------|
| ☐ 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) | | | | | |
| CPC Members | | Ayes | Ayes (WR) | Nays | Excused |
| 1. TAKUMI, Roy M. (C) | | 1/ | | | |
| 2. ICHIYAMA, Linda (VC) | | | | | V |
| 3. AQUINO, Henry J.C. | | | | | |
| 4. ITO, Ken | | ν | | | |
| 5. SAY, Calvin K.Y. | | ✓ | | | |
| 6. TAKAYAMA, Gregg | | V | | | |
| 7. TODD, Chris | and self-like of the self-self-self-self-self-self-self-self- | <u> </u> | | | |
| 8. YAMANE, Ryan I. | | | | | |
| 9. FUKUMOTO, Beth | | | | | |
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| TOTAL (9) | | 6 | 0 | 0 | 3 |
| The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s) | | | | | |
| Vice Chair's or designee's signature: | | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | | |
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