

Honolulu, Hawaii

MAR 01 2018

RE: S.B. No. 208
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 208, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO UNCLAIMED LIFE INSURANCE
BENEFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Adopt the National Conference of Insurance Legislators' Model Unclaimed Life Insurance Benefits Act, which requires life insurers to conduct database searches using the federal Social Security Administration's Death Master File or similar database to determine whether an insured has died;
- (2) Require life insurers to use good faith efforts to locate any beneficiaries to a policy, contract, or retained asset account; and
- (3) Authorize the Insurance Commissioner to use discretion to limit, exempt, or phase-in compliance with the requirements under certain circumstances.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, American Council of Life Insurers, and one individual.



Your Committee finds that in 2013, Consumer Reports found an estimated \$1,000,000,000 in life insurance benefits remained unclaimed. According to testimony from the Department of Commerce and Consumer Affairs, the Department's Insurance Division alone receives approximately forty requests each year for assistance in finding a possible life insurance policy.

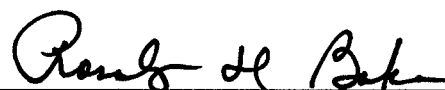
Your Committee further finds that this measure adopts the National Conference of Insurance Legislators' Model Unclaimed Life Insurance Benefits Act, which provides a foundation for insurers to use the Social Security Administration Death Master File to obtain notice of death of an insured in the absence of a claim and search for beneficiaries within ninety days. This measure, in conjunction with the current national life insurance policy locator service developed by the National Association of Insurance Commissioners and used by the Insurance Division, will simplify and streamline the process for Hawaii consumers and insurers to match beneficiaries and life insurance policies and annuities.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2019; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 208, S.D. 2.

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




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 208, SD1	Committee Referral: CPH	Date: 2/26/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TOKUDA, Jill N. (VC)				✓
CHANG, Stanley	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; font-family: cursive;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes