

Honolulu, Hawaii

MAR 21 , 2018

RE: S.B. No. 2643
S.D. 1
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 Consumer Protection & Commerce, to which was referred S.B. No. 2643, 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 clarify the requirements for additional privacy notices that an insurer must send to its customers by:

- (1) Permitting an insurer to send a privacy notice every five years, if the relationship between the insurer and a customer is renewed annually or less than annually and the insurer has not changed its policies and practices relating to the disclosure of nonpublic personal financial information;
- (2) Requiring an insurer to provide an additional privacy notice upon renewal of a relationship between an insurer and a customer that lasts longer than a year; and
- (3) Requiring an insurer that changes its policies and practices to send an additional privacy notice to customers after the change is made.



The American Insurance Association, Hawaii Insurers Council, and American Council of Life Insurers testified in opposition to this measure. Hawaii Medical Service Association provided comments.

Your Committee has amended this measure by:

- (1) Requiring insurers to provide privacy notices on a biennial basis to all customers, regardless of contract renewal period;
- (2) Making conforming amendments to related statutory sections; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the Insurance Code already requires an insurer to provide an updated notice of any change to privacy policies prior to disclosure of any information not previously authorized.

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 S.B. No. 2643, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2643, 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 **HSR 1254-18**
The Twenty-ninth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>SB 2643, SD1</i>	Committee Referral: <i>CPC, FIN</i>	Date: <i>3/14/18</i>		
<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)	<i>10</i>	<i>0</i>	<i>0</i>	<i>1</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted if joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				