

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2773  
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 Ways and Means, to which was referred S.B. No. 2773, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THIRD PARTY ADMINISTRATORS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish regulations for third party administrators.

Specifically, this measure:

- (1) Encourages disclosure of contracts between insurers and third party administrators to potential insureds and the Insurance Commissioner;
- (2) Promotes the financial responsibility of third party administrators;
- (3) Regulates third party administrators' practices; and
- (4) Governs the qualifications and procedures for the licensing of third party administrators.

Your Committee received written comments in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs.



Your Committee received written comments on this measure from Hawaii-Western Management Group.

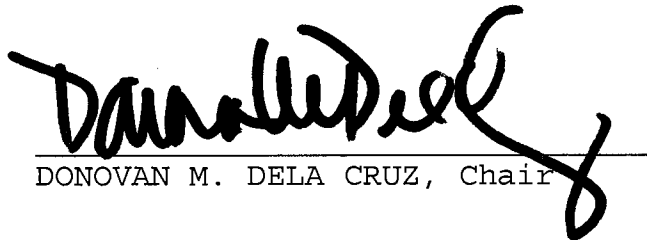
Your Committee finds that the regulations established by this measure are based on the National Association of Insurance Commissioners' Registration and Regulation of Third Party Administrators Guideline.

Your Committee has amended this measure by:

- (1) Making corrections to the quoted text of sections 431:7-101 and 432:1-102, Hawaii Revised Statutes, in the measure to accurately reflect the printed version of the Hawaii Revised Statutes; and
- (2) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2773, S.D. 2.

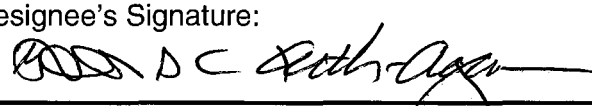
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2773, SDI</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>2/21/18</b>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes