

Honolulu, Hawaii

, 2018

MAR 22

RE: S.B. No. 2774
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. 2774, 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 update the Hawaii Insurance Code by:

- (1) Adopting new corporate governance and annual disclosure requirements from the National Association of Insurance Commissioners' Corporate Governance Annual Disclosure Model Act;
- (2) Requiring any insurance entity seeking to add or change a trade name or an assumed name to submit a written request to the Insurance Commissioner;
- (3) Requiring that coverage for certain mandatory services include reimbursement to providers who deliver those services;
- (4) Applying existing supervision, rehabilitation, and liquidation requirements to all captive insurance companies; and



- (5) Making various housekeeping amendments.

This measure further clarifies the requirements for reporting and recordkeeping for vehicle protection product warrantors and service contract providers.

The Insurance Division of the Department of Commerce and Consumer Affairs, Board of Nursing, Board of Pharmacy, Office of Information Practices, American Council of Life Insurers, and Hawaii Medical Service Association testified in support of this measure. The Motor Vehicle Protection Products Association testified in opposition. The American Family Life Assurance Company of Columbus, Kaiser Permanente Hawai'i, and Hawai'i Captive Insurance Council provided comments.

Your Committee has amended this measure by:

- (1) Deleting the language clarifying the requirements for reporting and recordkeeping for vehicle protection product warrantors and service contract providers;
- (2) Changing its effective date to July 1, 2050, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2774, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2774, 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



