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**TO THE SENATE COMMITTEE ON
WAYS AND MEANS**

**TWENTY-NINTH LEGISLATURE
Regular Session of 2018**

**Friday, February 23, 2018
11:00 a.m.**

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 2493, S.D. 1, RELATING TO INSURANCE.

**TO THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 2493, S.D. 1, Relating to Insurance. My name is Gordon Ito, and I am the Insurance Commissioner for the Department’s Insurance Division. The Department provides the following comments.

The purpose of this bill is to delay implementation of sections 7, 8, and 9 of Act 152, Session Laws of Hawaii 2017. The Department agrees with extending the effective date to eliminate producer-to-producer appointments to January 1, 2020.

Thank you for the opportunity to provide written testimony on this measure.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON WAYS AND MEANS
Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

Friday, February 23, 2018
11:00 a.m.

SB 2493, SD1

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** this bill. Extending the date to repeal the producer to producer law allows HIC members adequate time to develop and execute new contracts between producers and insurers. This is a sea-change from what has traditionally been done in Hawaii and we appreciate the additional time allowed to ensure all contracts are executed properly. We look forward to continuing to work with the Insurance Division on a smooth transition.

Thank you for the opportunity to testify.



Senate Committee on Ways and Means

Date: February 23, 2018 Time: 11:00 am

RE: SB 2493, SD1 – Relating to Insurance

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee, the National Association of Insurance and Financial Advisors (NAIFA) Hawaii represents life insurance producers/agents across Hawaii who primarily market life insurance, annuities, long term care insurance and disability income insurance products.

We **support** SB 2493, SD1, that will postpone the effective date to January 1, 2020 for Sections 7, 8, and 9 provisions in Act 152, SLH 2017. Act 152 conforms to the National Association of Insurance Commissioners (NAIC) model act for insurance producer licensing requirements.

Act 152 will only allow for “insurer to producer” appointments and eliminate the “producer to producer” appointments. Hawaii was the anomaly in the country allowing for the “producer to producer” appointments.

SB 2493, SD1, will provide ample time for the industry to complete the new producer appointments by the insurers. According to the 2017 Insurance Commissioner’s Report, as of June 30, 2017, there were 7,000 licensed resident producers. Of course not all of them will require new appointments but it will be in thousands.

Mahalo for allowing us to share our views and for your favorable consideration.

Cynthia Takenaka, Executive Director
808-394-3451

SB-2493-SD-1

Submitted on: 2/21/2018 4:05:37 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments: