

STAND. COM. REP. NO.

390

Honolulu, Hawaii

February 14, 2019

RE: H.B. No. 984  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 984 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Enable the State to meet National Association of  
Insurance Commissioners ("NAIC") accreditation standards  
by adopting:
  - (A) The Corporate Governance Annual Disclosure Model  
Act; and
  - (B) The revisions to the NAIC Insurance Holding Company  
System Regulatory Act ("Accreditation Sections");  
and
- (2) Make numerous housekeeping and other changes to the  
Insurance Code (chapter 431, Hawaii Revised Statutes) to  
improve the regulation of insurance in the State of  
Hawaii ("Nonaccreditation Sections").



The Insurance Division of the Department of Commerce and Consumer Affairs, Board of Nursing, Board of Pharmacy, Hawai'i Captive Insurance Council, and American Council of Life Insurers testified in support of this measure. The American Family Life Assurance Company of Columbus, Kaiser Permanente, and Hawaii Medical Service Association submitted comments.

Your Committee finds that the State must adopt the Accreditation Sections to ensure Hawaii meets NAIC accreditation standards by January 1, 2020. Passage of this measure is just the first step toward accreditation because the Insurance Commissioner must also adopt relevant rules to meet accreditation standards.

To ensure the State meets NAIC accreditation standards in a timely manner, your Committee has amended this bill by:

- (1) Removing the Nonaccreditation Sections;
- (2) Requiring the Insurance Commissioner to adopt rules effectuating the Accreditation Sections by January 1, 2020;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

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 H.B. No. 984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 984, 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,

*R. Takumi*

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ROY M. TAKUMI, Chair



