



HOUSE COMMITTEE ON INTRASTATE COMMERCE

The Honorable Takashi Ohno, Chair
The Honorable Dale T. Kobayashi, Vice Chair

H.C.R. NO. 63, REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A STUDY ON WHETHER THE SCOPE OF PERSONS AUTHORIZED TO WORK AS INSURANCE APPRAISERS AND INSURANCE UMPIRES IN THE STATE NEEDS TO BE REGULATED

H.R. NO. 64, REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A STUDY ON WHETHER THE SCOPE OF PERSONS AUTHORIZED TO WORK AS INSURANCE APPRAISERS AND INSURANCE UMPIRES IN THE STATE NEEDS TO BE REGULATED

Hearing: Tuesday, April 2, 2019, 11:30 a.m.

The Office of the Auditor has **no position** regarding H.C.R. No. 63 and H.R. No. 64 which require the auditor to “conduct a study on whether the scope of persons authorized to work as insurance appraisers and insurance umpires in the State needs to be regulated to better serve the people of Hawaii.” **However, we offer the following comments.**

H.C.R. No. 63 and H.R. No. 64 require we conduct a study, in cooperation with Insurance Division of the Department of Commerce and Consumer Affairs, by:

- 1) Examining deficiencies in the current statutory framework for insurance appraisers and insurance umpires that may lead to confusion for consumers regarding the scope of persons that may provide insurance appraiser and insurance umpire services;
- 2) Researching how other states regulate insurance appraisers and insurance umpires; and
- 3) Examining if the regulation of insurance appraisers and insurance umpires is warranted in the State.

Pursuant to Hawai‘i’s Regulatory Licensing Reform Act, Chapter 26H, Hawai‘i Revised Statutes (HRS), we are mandated to perform “Sunrise Analyses” of proposed regulatory measures that, if enacted, would subject unregulated professions or vocations to licensing or other regulatory controls. The law provides referral shall be by concurrent resolution and **identify a specific legislative bill to be analyzed.** See Section 26H-2, HRS.

The study requested in these resolutions, however, appears to seek an analysis to determine the need for additional regulation rather than an analysis of proposed regulation identified in a specific legislative bill. We also have concerns that elements of H.C.R. No. 63 and H.R. No. 64

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require us to make determinations in the study that are beyond our office's usual work and staff expertise. We believe the Insurance Division may be better equipped to comment on the existing statutory framework and the need for additional regulation within that existing framework.

Thank you for considering our testimony related to H.C.R. No. 63 and H.R. No. 64.