

Honolulu, Hawaii  
, 2020

FEB 05

RE: H.B. No. 1870  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 1870 entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to help Hawaii's kupuna prevent lapses or terminations of their long-term care insurance policies by requiring the thirty-day lapse or termination notices for long-term care policies to be sent by certified mail or commercial delivery services, or other method of delivery requiring proof of delivery.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the American Council of Life Insurers. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee recognizes the importance of establishing greater safeguards for Hawaii's seniors to prevent the unintentional lapse or termination of long-term care insurance for nonpayment of premiums. Your Committee notes that because seniors may have purchased a policy early on in their lives, they may not be aware of their right to designate a person to receive notice of lapse or termination or update the outdated contact information



for their policy designee. Your Committee finds that long-term care policyholders, particularly seniors, need to be better apprised and notified of their long-term insurance policy safeguards to prevent intentional lapse or termination of their policy.

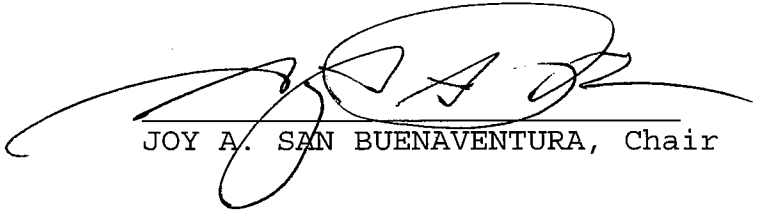
Your Committee has amended this measure by:

- (1) Requiring insurers to notify the insured at each renewal premium, but at least annually, of:
  - (A) The right to designate at least one person to receive notice of lapse or termination of the policy, certificate for nonpayment of premium, or waiver;
  - (B) The right to change the written designation; and
  - (C) The opportunity to update the name and address of the person on the written designation;
- (2) Requiring the thirty-day lapse or termination notice to be given to both the insured and any designee or holder of the insured's power of attorney;
- (3) Changing its effective date to December 31, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1870, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Homelessness,



JOY A. SAN BUENAVENTURA, Chair



