

STAND. COM. REP. NO. 612

Honolulu, Hawaii

MAR 04 2021

RE: S.B. No. 1096
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1096 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to amend various portions of the insurance code to update and improve existing provisions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente Hawai'i, Hawaii Medical Service Association, and the National Association of Mutual Insurance Companies.

Your Committee finds that a number of administrative amendments to Hawaii's insurance code are necessary to enhance consumer protections for residents in this State. This measure, among other things, will mandate contractual terms for agreements between public adjusters and insurers, establish uniform standards for limited lines producer licenses, grant the Insurance Commissioner authority to waive certain fees, require electronic filings to support efficiency, and clarify that rewards under certain wellness programs do not constitute a rebate, which may, in turn, reduce utilization of health services and potentially reduce insurance premiums.



Your Committee has amended this measure by:

- (1) Clarifying that the Insurance Commissioner shall appoint certain members to the Board of Governors within the Joint Underwriting Plan Bureau; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1096, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



