

CONFERENCE COMMITTEE REP. NO. 81

Honolulu, Hawaii

APR 23 2021

RE: S.B. No. 1100
S.D. 1
H.D. 2
C.D. 1

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

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1100, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE DATA SECURITY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to enact the National Association of Insurance Commissioners' Insurance Data Security Model Law to establish insurance data security standards for Hawaii insurance licensees.

Your Committee on Conference finds that there have been several major data breaches involving large insurers that exposed and compromised the sensitive personal information of millions of insurance consumers. The National Association of Insurance Commissioners adopted the Insurance Data Security Model Law in 2017 to strengthen existing data privacy standards and consumer breach notification obligations of insurance licensees. If states do not



adopt provisions of this model law by 2022, they risk federal preemption of state laws in this area. Accordingly, this measure adopts the National Association of Insurance Commissioners' Insurance Data Security Model Law to establish insurance data security standards and ensure data security protections for Hawaii insurance licensees.

Your Committee on Conference has amended this measure by:

- (1) Inserting a definition for the term "commissioner" to mean the Insurance Commissioner of the State;
- (2) Reverting to certain provisions of the S.D. 1 version of this measure to clarify that:
 - (A) The licensee's regulator, rather than the licensee's domiciliary regulator, shall have the power to examine and investigate the affairs of any licensee to determine whether the licensee has been or is engaged in certain conduct; and
 - (B) Each insurer, rather than each licensee, domiciled in the State shall submit annual certifications to the Insurance Commissioner;
- (3) Updating the purpose section; and
- (4) Inserting an effective date of July 1, 2021.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1100, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1100, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



AARON LING JOHANSON
Co-Chair



ROSALYN H. BAKER
Chair



SCOT Z. MATAYOSHI
Co-Chair



SCOTT Y. NISHIMOTO
Co-Chair



Hawai'i State Legislature

CR 81

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 1100, SD 1, HD 2	Date/Time: 4-21-21 4:21 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
CHANG, Stanley	✓				MATAYOSHI, Scot Z., Co-Chr.				✓
RIVIERE, Gil	✓				NISHIMOTO, Scott Y., Co-Chr.	✓			
					MATSUMOTO, Lauren	✓			
TOTAL	3	-	-	-	TOTAL	3	-	-	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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