



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Wednesday, March 31, 2021
2:30 p.m.
Via Videoconference**

**On the following measure:
S.B. 1098, S.D. 1, H.D. 1, RELATING TO THE REGULATORY AUTHORITY
OF THE INSURANCE COMMISSIONER**

Chair Luke and Members of the Committee:

My name is Colin M. Hayashida, and I am the Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this administration bill and requests an amendment to the effective date.

The purpose of this bill is to adopt certain provisions of the National Association of Insurance Commissioners' (NAIC) Producer Licensing Model Act (PLMA), Public Adjuster Licensing Model Act, Reinsurance Intermediary Model Act, and Independent Adjuster Licensing Model Guidelines to provide consistency and promote efficiency in processing insurance licensing fees, applications, certificates, registrations, and renewals.

Currently, Hawaii Revised Statutes (HRS) chapter 431 does not list all licenses, registrations, and fees issued by the Insurance Division, and this may create confusion. In addition, when Hawaii first adopted the PLMA in 2001, it decreased the penalties for late renewals and registrations by half to facilitate the industry's transition to the PLMA.

Now that the industry has had sufficient time to adjust to the PLMA, decreased penalty amounts are no longer needed.

This bill will more accurately reflect the licenses, registrations, and fees issued by the Insurance Division and will facilitate the division's transition to the electronic processing of insurance licensing fees, certificates, registrations, and renewals. In addition, the bill will conform the penalties for late renewals and registrations with those of the PLMA, as well as HRS title 24 with the NAIC's model acts and guidelines mentioned above.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill with an effective date of January 1, 2022.