

STAND. COM. REP. NO. 2754

Honolulu, Hawaii

FEB 29 2024

RE: S.B. No. 2730
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2730 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPARENCY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require not for profit mutual benefit societies to include in annual statements the compensation provided to each executive officer and board member for the preceding calendar year and a description of each position;
- (2) Require the Insurance Commissioner to prepare and maintain a compilation of the information for each not for profit mutual benefit society; and
- (3) Require the Insurance Commissioner or the Department of Commerce and Consumer Affairs to make the compilation available for public inspection and duplication.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.



Your Committee finds that certain not for profit mutual benefit societies in the State, which enjoy generous tax breaks, have compensated their top executives and board members handsomely, while simultaneously cutting the jobs of many rank-and-file employees in company restructurings. This measure will therefore provide increased accountability and oversight of compensation for not for profit mutual benefit society executives.

Notwithstanding, your Committee has heard the testimony of the Insurance Division of the Department of Commerce and Consumer Affairs, noting that the information required to be disclosed under this measure, as proposed, would be duplicative of certain information already filed by mutual benefit societies. Therefore, amendments to this measure are necessary to authorize the Insurance Commissioner to disclose certain compensation records already received, which can be more readily and efficiently implemented by the Insurance Division.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that:
 - (A) Authorizes the Insurance Commissioner to disclose certain compensation information submitted to the Insurance Commissioner by insurers, mutual benefit societies, health maintenance organizations, or dental insurers; and
 - (B) Clarifies that the disclosure of these records shall not constitute a clearly unwarranted invasion of personal privacy under section 92F-13, Hawaii Revised Statutes; 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. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, 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,



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2730	CPN	2/26/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Carol Fukunaga</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes