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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection & Commerce
Wednesday, February 19, 2025
2:00 p.m.
State Capitol, Conference Room 329 and via videoconference

On the following measure:
H.B. 1050, RELATING TO TITLE 24, HAWAII REVISED STATUTES

Chair Matayoshi and Members of the Committee:

My name is Jerry Bump, and I am the Acting Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this bill.

The purpose of this bill is to provide amendments to net solvency report filing requirements for mutual benefit societies, dental insurers, and health maintenance organizations effective October 1, 2025.

The Department supports the initiative to optimize the filing process for mutual benefit societies, health maintenance organizations, and dental insurers (hereinafter "entities") by amending the filing date for fourth quarter net solvency reports to March 1. Currently, these entities must file their fourth quarter net solvency reports by February 14 and their annual blank filings by March 1. The information from the fourth quarter net solvency reports should correlate and align with what will be reported in the annual blank filings, and since additional accounting adjustments may occur during that time,

the two-week differential has contributed to supplemental efforts to reconcile these differences. Aligning the due dates to March 1 will reduce the compliance burden on the entities and allow them to complete their filings in a more efficient manner. The Insurance Division will also benefit from this systematic change because it can help streamline regulation.

Thank you for the opportunity to testify.