STAND. COM. REP. NO. 542-06

Honolulu, Hawaii

Fe 417, 2006

RE: H.B. No. 2323 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2323 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE FRAUD,"

begs leave to report as follows:

The purpose of this bill is to protect consumers from the high cost of insurance fraud by expanding the authority of the Department of Commerce and Consumer Affairs (DCCA) Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance other than workers' compensation insurance.

The Department of Commerce and Consumer Affairs and American Council of Life Insurers supported this measure. The Hawaiian Independent Insurance Agents Association, National Association of Insurance and Financial Advisors, State Farm Insurance, Hawaii Association of Health Plans, Hawaii Insurers Council, and Hawaii Medical Service Association supported the intent of the measure. Kaiser Permanente opposed the bill. The Consumers Lawyers of Hawaii submitted comments.

Your Committee, while in agreement with the intent of the bill, has adopted recommendations to amend the current bill to reflect the consensus language found in H.B. No. 48, H.D. 1, which was introduced in 2005.

As amended, this bill expands the authority of the DCCA Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance, including workers' compensation insurance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Judiciary.

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

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ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

HSCR 542-06

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2323	Date:	02/01	106	
Committee Referral: CPC, Lub	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended Pass, with amendments				
☐ Hold	□ R	ecommit	-	-
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. SCHATZ, Brian (VC)	V			
3. CALDWELL, Kirk				
4. ITO, Ken	V			
5. KANOHO, Ezra R.6. KARAMATSU, Jon Riki	/			<i>V</i>
6. KARAMATSU, Jon Riki 7. MORITA, Hermina M.				
8. SONSON, Alex M.	<u> </u>			
9. SOUKI, Joseph M.				
10. MARUMOTO, Barbara C.				
11. STONEBRAKER, Bud				V
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TOTAL	7	1	1	2
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The recommendation is: Adopted				
☐ Not Adopted				·
If joint referral, did not support recommendation. committee acronym(s)				
Vi Vi in'a saldarianna'a anatura			· · · · · · · · · · · · · · · · · · ·	
Vice(Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				