STAND. COM. REP. NO. 2683

Honolulu, Hawaii MAR - 3 2006

RE: S.B. No. 2300 S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing, to which was referred S.B. No. 2300 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to extend group health insurance coverage for small employers to include self-employed individuals with no employees or small businesses with part-time employees.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii State Bar Association, and two individuals. Mutual Benefit Association of Hawaii, Hawaii Association of Health Plans, the Hawaii Medical Service Association, and Kaiser Permanente opposed the measure.

Your Committee finds that although Hawaii law requires that health insurers offer small group health plans to small employers, it is unclear whether the law extends health insurance group coverage to self-employed sole proprietors. Your Committee understands that this coverage is available to corporations, even those with only one employee, but may be denied to unincorporated sole proprietors. Accordingly, cost-effective health insurance coverage may not be available to these individuals.

Your Committee has amended this measure to change the effective date to July 1, 2050, for purposes of further discussion, and to make technical, nonsubstantive amendments.



As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be placed on the calendar for Third Reading.

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

RON MENOR. Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* Committee Referral: Date: 3/2/06				
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:				
The Recommendation is to:				
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
MENOR, Ron (C)				
BAKER, Rosalyn H. (VC)				
ESPERO, Will				
IGE, David Y.				
SAKAMOTO, Norman HOGUE, Bob				
HOGUE, Bob			<u>-</u>	
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TOTAL	4		/	
Recommendation:  Adopted Not Adopted				
Chair's or Designee's Signature:  Kessely H Bul				
Distribution:         U Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy				

<sup>\*</sup>Do not list more than one measure per Record of Votes.