

STAND. COM. REP. NO. 360

Honolulu, Hawaii

Feb 14, 2007

RE: H.B. No. 90
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 90 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to enhance the monitoring of the insurance marketplace by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to conduct market conduct examinations of domestic and foreign insurers.

The American Council of Life Insurers testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. State Farm Insurance Companies and a concerned individual submitted comments.

A market conduct examination is a review of an insurer's marketplace practices. Your Committee finds that this bill implements procedures for the Insurance Commissioner to conduct comprehensive and targeted market conduct examinations of an insurer's operations to evaluate compliance with applicable state laws.

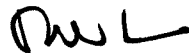


Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to use market analysis and market conduct examination procedures that are substantially similar to the National Association of Insurance Commissioners' (NAIC) guidelines, rather than procedures that are substantially similar to those in specific NAIC handbooks;
- (2) Applying the Market Conduct Surveillance Law to mutual benefit societies; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

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. 90, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 90, H.D. 1, and be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



HSCR 360

Bill/Resolution No.: HB 90		Date: February 12, 2007		
Committee Referral: CPC, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to:		<input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Pass, with amendments, for recommitment for further consideration <input type="checkbox"/> Pass, unamended <input type="checkbox"/> Hold		
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X			
2. McKELVEY, Angus L.K. (VC)	X			
3. CALDWELL, Kirk	X			
4. EVANS, Cindy	X			
5. GREEN, Josh, M.D.	X			
6. ITO, Ken	✓			
7. LUKE, Sylvia	X			
8. MORITA, Hermina M.	X			
9. SONSON, Alex M.	X			
10. SOUKI, Joseph M.	X			
11. TSUJI, Clift	X			
12. YAMANE, Ryan I.	X			
13. YAMASHITA, Kyle T.	X			
14. MARUMOTO, Barbara C.	X			
15. THIELEN, Cynthia				X
TOTAL	14			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				