

STAND. COM. REP. NO.

1262

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 90
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred H.B. No. 90, H.D. 2,
entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to establish a framework by
which the Insurance Commissioner can undertake market conduct
examinations of various types of insurers' marketplace practices.

This measure adopts the National Conference of Insurance
Legislators Market Conduct Surveillance Model in order to enhance
the monitoring of the insurance marketplace, protect
policyholders, and ensure compliance with the insurance code and
other applicable regulations. This measure also appropriates
funds to the Department of Commerce and Consumer Affairs to assist
in carrying out the requirements set forth in the measure.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs and the
American Council of Life Insurers. The American Insurance
Association submitted comments on this measure.

Your Committee finds that this measure creates a process and
system to identify and attempt to remedy market conduct problems
that have a substantial adverse impact on consumers,
policyholders, and claimants. This measure also creates

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procedures to communicate and coordinate market conduct actions among other states through the National Association of Insurance Commissioners in order to create efficiency in the sharing of information and the coordination of analysis and examination efforts.

Your Committee has amended this measure, based upon the agreement between the American Council of Life Insurers and the American Insurance Association, by adding additional model language from the National Conference of Insurance Legislators with regard to the level of confidentiality and privilege afforded to insurance compliance self-evaluative audit documents and the confidentiality of data calls used for market analysis, market conduct, or other regulatory requests. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 90, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 90, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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


BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* <i>HB 90 HD2</i>	Committee Referral: <i>CPH, WAM</i>	Date: <i>3/21/07</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div><input type="checkbox"/> Pass, unamended 2312</div> <div><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div><input type="checkbox"/> Hold 2310</div> <div><input type="checkbox"/> Recommit 2313</div> </div>		
Members	Aye	Aye (WR)
TANIGUCHI, Brian T. (C)	✓	
IGE, David Y. (VC)		
ESPERO, Will	✓	
IHARA, Jr., Les	✓	
SAKAMOTO, Norman		
SLOM, Sam	✓	
TOTAL	<i>4</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <i>Will Espino</i>		
<div style="display: flex; justify-content: space-between;"> <div>Distribution: Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> </div>		

*Only one measure per Record of Votes