

STAND. COM. REP. NO.

956

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 12
S.D. 2

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 S.B. No. 12, S.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE RATE
REGULATION,"

begs leave to report as follows:

The purpose of this measure is to re-enact health insurance
rate regulation by prohibiting health insurance rates from being
excessive, inadequate, or unfairly discriminatory.

This measure also requires that health care insurers submit
rate filings for approval by the Department of Commerce and
Consumer Affairs, establishes what type of information needs to be
provided to enrollees with regard to rates, and establishes
various penalties and appeal procedures.

The Hawaii State Teachers Association submitted written
comments in support of this measure. The Hawaii Medical Service
Association submitted written testimony in opposition of this
measure. Written comments were submitted by the Department of
Commerce and Consumer Affairs and the American Family Life
Assurance Company of Columbus.

Act 74, Session Laws of Hawaii 2002 (Act 74), established a
health insurance rate regulation law that ensured that health
insurance rates were not excessive, inadequate, or unfairly
discriminatory in a manner similar to the way that motor vehicle,



workers' compensation, homeowners', and other property and casualty insurance lines are presently regulated. Pursuant to a sunset provision, Act 74 was repealed on June 30, 2006.

Your Committee finds that the intent of this measure is to re-enact the health insurance rate regulation law in order to protect Hawaii consumers from predatory and discriminatory pricing and to open the market for competition, therefore, providing Hawaii consumers with more choices for health insurance.

Your Committee has amended this measure to clarify that the definition of "managed care plan" or "plan" does not include specific disease or disability policies.

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 S.B. No. 12, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 12, S.D. 2.

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.:* <div style="font-size: 1.2em; font-weight: bold;">SB 12 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-weight: bold;">HTH, CPH</div>	Date: <div style="font-size: 1.2em; font-weight: bold;">2-23-07</div>		
<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;"> <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)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
SLOM, Sam		✓		
TOTAL	3	1	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between;"> <div>Distribution:</div> <div> <div style="display: flex; justify-content: space-around; width: 100%;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> </div> </div> </div>				

*Only one measure per Record of Votes