STAND. COM. REP. NO. 651-08

Honolulu, Hawaii

124 , 2008

RE: S.B. No. 2313

S.D. 1 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2313, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to combat insurance fraud by, among other things:

- (1) Expanding the Insurance Division's ability to investigate and prosecute insurance fraud in all lines of insurance, except workers' compensation insurance;
- (2) Expanding the scope of the criminal offense of insurance fraud, which currently applies only to the filing of claims, to include the filing of false insurance applications and fraudulent sales of insurance; and
- (3) Allowing the filing of administrative and civil insurance fraud actions.

The Hawaii Association of Health Plans, American Council of Life Insurance, Hawaii Medical Service Association, Property Casualty Insurers Association of America, State Farm Insurance Companies, and the National Association of Insurance and Financial Advisors supported this bill. The Department of Commerce and Consumer Affairs (DCCA) submitted comments.

SB2313 HD2 HSCR FIN HMS 2008-3393



Your Committee has amended this measure by:

- (1) Deleting existing provisions relating to the employment status of officers or employees that may be affected by this bill and, instead:
 - (A) Allowing any employee who, prior to the effective date of this bill was exempt from civil service and who may be transferred as a consequence of this bill, to retain the employee's exempt status; provided that the employee shall not be appointed to a civil service position because of this bill;
 - (B) Prohibiting any employee who is transferred as a result of this bill from suffering any loss of prior service credit, any vacation and sick leave credits previously earned, or other employee benefits or privileges as a consequence of this bill; and
 - (C) Allowing the Director of DCCA to prescribe the duties and qualifications of transferred employees and fix their salaries;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2313, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2313, S.D. 1, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

HS(R 1651-08

Record of Votes of the Committee on Finance

SB 23/3 SDI HO, CPC	E TUD	FIN Date	3/26/	2008
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	~		765 Selection (1975)	\$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2000 \$2
3. AWANA, Karen Leinani	V			
4. BELATTI, Della Au	レ			
5. BROWER, Tom				
6. CARROLL, Mele	<u></u>			
7. HANOHANO, Faye P.	~			
8. HAR, Sharon E.	1			
9. KARAMATSU, Jon Riki				
10. MAGAOAY, Michael Y.	ン			
11. MANAHAN, Joey				
12. MIZUNO, John				
13. NAKASONE, Bob				
14. RHOADS, Karl				
15. SAGUM, Roland D., III	The state of the s			<u> </u>
16. TOKIOKA, James Kunane				
17. MEYER, Colleen Rose				~
18. PINE, Kymberly Marcos				~
19. WARD, Gene, Ph.D.	V			
*				

TOTAL (19)	15		0	4
The recommendation is: Adopted				
Vice Chair's or designee's signature: Mary B. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				