STAND. COM. REP. NO. 893

Honolulu, Hawaii MAR 0 2 2007

S.B. No. 1408 RE: 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 Ways and Means, to which was referred S.B. No. 1408 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE LICENSING,"

begs leave to report as follows:

The purpose of this measure is to clarify and improve existing law relating to insurance licensing.

Specifically, the bill:

- Re-establishes a \$1,000 issuance fee and \$600 annual fees for all services for limited line motor vehicle rental company producer's licenses;
- (2) Provides that the place of business for licensed adjusters and independent bill reviewers is where the licensee principally conducts transactions;
- (3) Revises the education and examination exemption for persons who were previously licensed in another state to exempt only an applicant for a nonresident producer license who is licensed in another state or an applicant for a resident producer license who applies for a license within ninety days of cancellation of the applicant's previous out-of-state resident license; and

(4) Repeals the current exemption from educational and examination requirements for license applicants who previously held an out-of-state license if the person applies for a resident producer license in the same line within ninety days of establishing legal residency in Hawaii.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs submitted comments in support of the measure. The American Council of Life Insurers submitted comments opposing the measure.

Your Committee finds that Act 154, Session Laws of Hawaii 2006, an Insurance Division housekeeping measure, inadvertently failed to re-establish the licensing and service fees for limited line motor vehicle rental company producer's licenses. This measure corrects that oversight. In addition, your Committee finds that removing the requirement of having a place of business in the State for licensees who principally conduct business in other states will encourage those individuals to also conduct business in Hawaii.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting section 3 of the bill amending section 431:9A-109, Hawaii Revised Statutes, relating to exemptions from examination; and
- (2) Renumbering remaining sections accordingly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1408, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* Committee	Referral:	Da	te: 2-22:6	ク ア
The committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)				
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne				
ENGLISH, J. Kalani				
FUKUNAGA, Carol				
HOOSER, Gary L.				
KIM, Donna Mercado				/
MENOR, Ron				
TOKUDA, Jill N.				
HEMMINGS, Fred				/
WHALEN, Paul			Stoc ionary (1997)	
TOTAL				
Recommendation: Adopted		Not Adopted		
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

^{*}Only one measure per Record of Votes