STAND. COM. REP. NO. 187

Honolulu, Hawaii

Fey 8, 2007

RE: H.B. No. 273

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. 273 entitled:

"A BILL FOR AN ACT RELATING TO ANNUITIES,"

begs leave to report as follows:

The purpose of this bill is to enhance the regulation of sales of annuities by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of any annuity.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Business Registration Division of the Department of Commerce and Consumer Affairs opposed this bill.

Your Committee finds that annuities can be an important source of retirement income, and consumers should therefore be afforded a clear understanding of the features, options, and costs of annuities to ensure that these products meet their specific financial situations. This bill would help protect consumers of such products by requiring insurance producers and insurers to have reasonable grounds for believing that a recommendation for the purchase or exchange of an annuity is suitable for the consumer based upon financial information the consumer provides.

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. 273 and recommends that it pass Second Reading 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

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Date:	Date:			
нв 273	Febru	February 5, 2007			
Committee Referral:		☐ The committee is reconsidering its			
CPC, FIN		previous decision on the measure.			
The recommendation is to: Pass, unamended	☐ Pa	☐ Pass, with amendments			
☐ Hold	Pass, with amendments, for recommittal for further consideration				
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. HERKES, Robert N. (C)	×				
2. McKELVEY, Angus L.K. (VC)	×				
3. CALDWELL, Kirk	X				
4. EVANS, Cindy	* *				
5. GREEN, Josh, M.D.	X				
6. ITO, Ken	×				
7. LUKE, Sylvia	× × ×				
8. MORITA, Hermina M.	×				
9. SONSON, Alex M.				×	
10. SOUKI, Joseph M.				×	
11. TSUJI, Clift	X				
12. YAMANE, Ryan I.	×				
13. YAMASHITA, Kyle T.	×				
14. MARUMOTO, Barbara C.		×			
15. THIELEN, Cynthia	X				
	<u></u>				
TOTAL	12	\		2	
The recommendation is:					
☐ 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					