

STAND. COM. REP. NO.

579

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 892  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which  
was referred S.B. No. 892 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to update the Insurance Code  
by making housekeeping amendments and updating continuing  
education requirements for insurance licensees.

Your Committee received testimony in support of this measure  
from the Department of Commerce and Consumer Affairs and the  
Hawaii Captive Insurance Council. Testimony in opposition to this  
measure was received from Hawaii Association for Justice and  
Hawaii Medical Service Association. Testimony with comments on  
this measure was received from the National Association of  
Insurance and Financial Advisors. Written testimony presented to  
the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to bring  
Hawaii's insurance industry into uniformity with best practices in  
insurance regulation and to respond to changes in the industry.  
Your Committee notes that the provisions relating to issuance of a  
surplus lines broker license and continuing education requirements  
for insurance licensees are based on recommendations by the  
National Association of Insurance Commissioners (NAIC) and reflect  
a policy of achieving greater uniformity in insurance regulation  
across states. Greater uniformity will make insurance regulation



less burdensome and simpler for insurers, producers, and regulators. Further, the audit provisions in this measure are required by the NAIC as a condition of continuing accreditation.

Your Committee has amended this measure by:

- (1) Repealing the current requirement that insurers submit printed copies of rate filings to the Insurance Commissioner and replacing it with an option to submit either electronic or paper filings consistent with Hawaii's March 1, 2009 adoption of the NAIC's System for Electronic Rate and Form Filing;
- (2) Increasing the required number of continuing education credits relating to an insurance licensee's line of authority from eighteen to twenty-one;
- (3) Removing the provision that amended section 431:10C-408, Hawaii Revised Statutes;
- (4) Clarifying that the three hours of continuing education ethics training required of insurance licensees shall include instruction on Hawaii's laws and rules specific to the licensee's line of authority; and
- (5) Making technical, nonsubstantive changes for the purpose of clarity and accuracy of the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be placed on the calendar for Third Reading.

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

  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 892</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/3/2009</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; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
<b>TOTAL</b>	6			1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">David Y. Ige</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**