STAND. COM. REP. NO. 2

2116

Honolulu, Hawaii

## FEB - 9 2010

## RE: S.B. No. 2016

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2016 entitled:

"A BILL FOR AN ACT RELATING TO LIFE SETTLEMENTS,"

begs leave to report as follows:

The purpose of this measure is to continue the ban on stranger oriented life insurance transactions through June 16, 2015.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, National Association of Life Insurance and Financial Advisors Hawaii, and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a possibility of significant abuse in the stranger oriented life insurance market and that it is in the best interest of the State to continue to prevent the commodification of life insurance policies. Your Committee finds that the traditional life insurance market is based on the concept of an insurable interest between a policy holder and the person whose life is insured. This concept preserves the social purpose of life insurance and helps to insure that that life insurance product will not be abused. Your Committee finds that stranger oriented life insurance policies subvert this fundamental concept and allow gambling on human life.



STAND. COM. REP. NO. 2116

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. 2016 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

Result & Beh 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.:*	Committee Referral: CPN Date: 2(4/2010				
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)		$\sim$			
IGE, David Y. (VC)		$\checkmark$			
ESPERO, Will		$\checkmark$			
GREEN, M.D., Josh					
IHARA, Jr., Les					
SAKAMOTO, Norman					
HEMMINGS, Fred	· · · · · ·	v			
TOTAL		5	0	0	Z
Recommendation:					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					
*Only <u>one</u>	measure	per Re	cord of V	Votes	