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RONALD BOYER
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March 31, 2010

The Honorable Rosalyn Baker
Chair, Senate Committee on Commerce and
Consumer Protection
State Capitol, Room 231
Honolulu, HI 96813

FAX 586-6071

Re: **H.B. No. 1439, H.D. 1, Proposed S.D. 1 – Relating to Insurance**

Dear Chair Baker:

To supplement the Department's written testimony, the Department suggests the formation of a Working Group with interested stakeholders to study various issues relating to life settlements, including the definition of "insurable interest" and the transferability of life insurance policies.

Working Group members may include the Insurance Commissioner or the Commissioner's designee, a member from the life settlement industry, ACLI, and NAIFA. These groups may submit names of interested individuals to the Insurance Commissioner.

The Working Group would be administratively attached to the Department as follows:

SECTION 2. Life Settlements Working Group. (a) The insurance division of the department of commerce and consumer affairs shall study issues relating to life settlements, including the definition of "insurable interest", the transferability of life insurance policies, and any related issues. The department shall be assisted by a temporary working group, to be placed within the department for administrative purposes. The members of the temporary working group shall consist of:

- (1) The insurance commissioner or the insurance commissioner's designee, who shall serve as chairperson of the working group;
- (2) A member of the life settlement industry;
- (3) American Council of Life Insurers;

Letter to Chair Baker

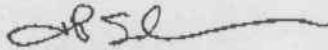
H.B. No. 1439, H.D. 1, Prop. S.D. 1

Page 2

- (4) National Association of Insurance Financial Advisors; and
- (5) AARP or an organization representing consumers.
- (b) The working group shall submit a report twenty days prior to the convening of the regular session of 2011. The reports shall include findings, recommendations, and necessary proposed legislation.
- (c) The working group created in this section shall be terminated on June 30, 2011.

If you need additional information or have any questions, please feel free to contact me at 586-2799 or Chris Young at 586-3041.

Very truly yours,



J.P. SCHMIDT
Insurance Commissioner