
A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to continue
2 permitting small accident and health or sickness insurers, who
3 lack coercive power in the marketplace, to bundle together
4 different classes of insurance, such as health, dental, and
5 vision. Under these circumstances, bundling provides broader
6 health care coverage in single unified policies, ultimately
7 resulting in lower overall premiums, fostering greater
8 competition within the Hawaii' insurance marketplace, and
9 providing consumers with greater flexibility, coverage, and
10 pricing options.

11 Act 227, Session Laws of Hawaii 2008, which amended the
12 Insurance Code to permit such bundling, contains a sunset clause
13 that will repeal Act 227 on June 30, 2011. The legislature
14 finds that the bundling exemption for small accident and health
15 or sickness insurers has benefitted Hawaii consumers, and that
16 it has not had an adverse effect on competition because the
17 affected insurers lack coercive market power. Consequently, the
18 purpose of this Act is to remove the sunset clause and keep in



1 place the specification that it is not an unfair method of
2 competition or an unfair or deceptive act or practice for an
3 accident and health or sickness insurer with a market share of
4 less than five per cent to refuse to issue or renew a policy
5 with a prospective insured unless the prospective insured
6 contracts for another class or an additional policy of the same
7 class of insurance with the same insurer.

8 SECTION 2. Act 227, Session Laws of Hawaii 2008, section
9 5, as amended by Act 11, Session Laws of Hawaii 2009, section
10 22, is amended to read as follows:

11 "SECTION 5. This Act shall take effect upon its approval [7
12 ~~and shall be repealed on June 30, 2011; provided that section~~
13 ~~431:13-103(a), Hawaii Revised Statutes, shall be reenacted in~~
14 ~~the form in which it read on the day before the effective date~~
15 ~~of this Act]."~~

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken.

18 SECTION 4. This Act shall take effect upon its approval.
19

INTRODUCED BY:



JAN 21 2011



Report Title:

Insurance Provider Bundling; Sunset Clause

Description:

Removes the sunset clause provisions section 5 of Act 227,
Session Laws of Hawaii 2008.

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