STAND. COM. REP. NO.

Honolulu, Hawaii March 24, 2011

RE: S.B. No. 1277 S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 1277, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION, "

beg leave to report as follows:

The purpose of this bill is to more effectively protect consumers of legal services by strengthening the laws governing legal service plans.

Specifically, this bill, among other things:

- Makes legal service plans and their owners, operators, officers, employees, and representatives subject to investigation or examination by the Insurance Commissioner;
- (2) Requires legal services plans to obtain a certificate of authority from the Insurance Commissioner prior to conducting business in the State;
- (3) Specifies that the bond required to be obtained by a legal services plan administrator shall run to the State for the benefit of any claimants against the legal services plan to secure faithful performance of the plan's obligations; and

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(4) Establishes an unspecified fee for a legal service plan certificate of authority and an unspecified annual fee for service.

The Department of Commerce and Consumer Affairs supported this bill with amendments.

Your Committees have amended this bill by:

- (1) Making the bill effective upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

Chair GILBERT KEITH-A

ROBERT N. HERKES, Chair



State of Hawaii

House of Representatives The Twenty-sixth Legislature Hsce 1129

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1277 SD 2	e Referral: CPC/JUD	,FIN D	ate: 3/16/2	2011		
□ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 						
CPC Members	Ayes	Ayes (WR)	Nays	Excused		
1. HERKES, Robert N. (C)						
2. YAMANE, Ryan I. (VC)						
3. BROWER, Tom						
4. CABANILLA, Rida T.R.						
5. CARROLL, Mele						
6. ITO, Ken						
7. KEITH-AGARAN, Gilbert S.C.						
8. LUKE, Sylvia						
9. McKELVEY, Angus L.K.						
-10:-MORITA, Hermina M.						
11. OSHIRO, Blake K.						
12. SOUKI, Joseph M.						
13. TSUJI, Clift						
14. CHING, Corinne W.L.						
15. MARUMOTO, Barbara C.	\setminus					
16. THIELEN, Cynthia						
TOTAL (16) (15)	12			3		
The recommendation is: Adopted I Not Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						

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Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB1277, SD2 Committee Referral: CPC/JUD, FIN Date 3126/11						
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: □ Pass, unamended (as is) N Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)						
JUD Members	Ayes	Ayes (WR)	Nays	Excused		
1. KEITH-AGARAN, Gilbert S.C. (C)						
2. RHOADS, Karl (VC)	~					
3. BROWER, Tom						
4. CABANILLA, Rida T.R.	<i>✓</i>					
5. CARROLL, Mele						
6. HERKES, Robert N.	>					
7. ITO, Ken						
8. LUKE, Sylvia						
9. McKELVEY, Angus L.K.						
10. MORITA, Hermina M.			,			
11. OSHIRO, Blake K.				\		
12. SOUKI, Joseph M.	<i>`</i>					
13. TSUJI, Clift						
14. FONTAINE, George R.	/					
15. MARUMOTO, Barbara C.						
16. THIELEN, Cynthia						
TOTAL (167 15	12	0	0	3		
The recommendation is: X Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						