STAND. COM. REP. NO. \SS -12

Honolulu, Hawaii

Feb 7, 2012

RE: H.B. No. 2504 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

## Sir:

Your Committee on Health, to which was referred H.B. No. 2504 entitled:

"A BILL FOR AN ACT RELATING TO ENTITIES REGULATED BY THE INSURANCE COMMISSIONER,"

begs leave to report as follows:

The purpose of this measure is to make various amendments to laws relating to entities regulated by the Department of Commerce and Consumer Affairs' Insurance Division including:

- Statutorily establishing certain fees and penalties for mutual benefit societies;
- (2) Clarifying provisions relating to certificates of registration and certificates of authority of mutual benefit societies;
- (3) Deleting obsolete provisions;
- (4) Increasing certain filing fees for fraternal benefit societies and health maintenance organizations; and
- (5) Clarifying laws relating to service contracts.

The Department of Commerce and Consumer Affairs supported this measure with amendments. The Hawaii Medical Service Association provided comments.

HB2504 HD1 HSCR HLT HMS 2012-1604

Your Committee has amended this measure by:

- (1) Requiring rather than allowing the Insurance Commissioner to adopt rules for the implementation and administration of the laws relating to mutual benefit societies;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Health,

## State of Hawaii House of Representatives The Twenty-sixth Legislature

## Record of Votes of the Committee on Health

Bill/Resolution No.:  HB 250 Y  Committee Referral:  HCT, CPC, F/N  1/31/12				
☐ 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)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)			•	
2. MORIKAWA, Dee (VC)	V			
3. BELATTI, Della Au			-	/
4. HANOHANO, Faye P.				
5. JORDAN, Jo				
6. LEE, Chris				
7. MIZUNO, John M.				
8. WOOLEY, Jessica			_	
9. CHING, Corinne W.L.		·		V
10. PINE, Kymberly Marcos				
	-			
TOTAL (10)	1			3
The recommendation is:    W   Adopted   Not Adopted				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO				