STAND. COM. REP. NO. **263**-12

Honolulu, Hawaii

Feb 10 , 2012

RE: H.B. No. 2507 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 Housing, to which was referred H.B. No. 2507 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to make it easier for Hawaii homeowners to purchase homeowners insurance by:

- (1) Requiring the Insurance Commissioner to:
 - (A) Publish annually, a listing of homeowners insurers and homeowners insurance premium rates in a newspaper of general circulation in the State;
 - (B) Make information on homeowners insurance premiums available to the public by request; and
 - (C) Specify on a notice of disapproval of a rate filing the actuarial, statutory, and regulatory basis for disapproving the filing;
- (2) Authorizing the Insurance Commissioner to establish interim rates to protect the interests of the insurer and its policyholders and ensure the solvency of the insurer when the Insurance Commissioner issues a written notice of disapproval of a filing;

- (3) Authorizing an insurer to petition for a contested administrative hearing after disapproval of a rate filing; and
- (4) Authorizing an advisory organization to make rate filings and otherwise act on behalf of an insurer.

The Department of Commerce and Consumer Affairs testified in support of this measure. Actuarial Services for Island Insurance Companies, American Insurance Association, the Property Casualty Insurers Association of America, and the National Association of Mutual Insurance Companies opposed this measure. State Farm Insurance Companies, Hawaii Insurers Council, and First Insurance Company of Hawaii, Ltd., commented on this measure.

Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to publish by electronic means, a listing of homeowners insurers and homeowners insurance premium rates;
- (2) Requiring motor vehicle insurers to provide, upon the Insurance Commissioner's request, motor vehicle insurance premium information to the Insurance Commissioner within 30 days of the request and requiring the Insurance Commissioner to publish this information by electronic means;
- (3) Authorizing the Insurance Commissioner to adjust filed rates upon a finding that a rate is excessive, inadequate or unfairly discriminatory, subject to specified notice and hearing requirements;
- (4) Repealing the authority of the Insurance Commissioner to reduce and adjust rates prospectively for any class or type of mandatory coverage or optional additional motor vehicle insurance coverage for any insurer or group of insurers if the rates are excessive, inadequate, or unfairly discriminatory; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2507, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

RIDA T.R. CABANILLA. Chair

HSCR 263-12

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Housing

1 6 .	ttee Referral:	=IN Date:	2/8/1	2
☐ 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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida T.R. (C)	V			-
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2. ITO, Ken (VC)				
3. CARROLL, Mele				
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4. CHANG, Jerry L.				
5. COFFMAN, Denny				
6. HAR, Sharon E.				
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7. HERKES, Robert N.		V		
P VAWAVAMI Dovok CV				
8. KAWAKAMI, Derek S.K.				
9. NAKASHIMA, Mark M.	W			
10. PINE, Kymberly Marcos	V			
11. THIELEN, Cynthia				
Ti. Million Gymna				
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TOTAL (11)	8			2
The recommendation is: Adopted If joint referral, complete acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				