

STAND. COM. REP. NO.

2625

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2767
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2767, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to update the Insurance Code to conform with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

Written comments in support of this measure were submitted by the Insurance Commissioner, Department of Commerce and Consumer Affairs; Hawaii Insurance Guaranty Association; and Hawaii Life and Disability Insurance Guaranty Association. Written comments on this measure were submitted by the American Insurance Association.

Your Committee finds that this measure will provide greater uniformity and coordination among Hawaii's various guaranty associations. Your Committee further finds that this measure will provide additional benefits to consumers and will assist the Hawaii Guaranty Association system in fulfilling its statutory mandate of protecting Hawaii policyholders and consumers.

Your Committee has amended this measure by:

- (1) Requiring approval by a court of the State, instead of a court of competent jurisdiction, prior to imposing

SB2767 SD2 SSCR LRB 21-1713.doc



permanent policy or contract liens in connection with any guarantee, assumption, or reinsurance agreement, or imposing temporary moratoriums or liens on payments of cash values and policy loans;

- (2) Preserving the requirement in section 431:16-212(g), Hawaii Revised Statutes, that the Board of Directors of the Hawaii Life and Disability Insurance Guaranty Association prepare a report to the Insurance Commissioner regarding the history and causes of any insurer insolvency in which the guaranty association was obligated to pay covered claims; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2767, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2767, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:	
SB 2767, SD1	CPN, WAM	2-23-12	
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____			
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313			
Members	Aye	Aye (WR)	Nay
IGE, David Y. (C)	✓		
KIDANI, Michelle N. (VC)	✓		
CHUN OAKLAND, Suzanne	✓		
DELA CRUZ, Donovan M.	✓		
ENGLISH, J. Kalani	✓		
ESPERO, Will	✓		
FUKUNAGA, Carol	✓		
KIM, Donna Mercado	✓		
KAHELE, Gilbert	✓		
KOUCHI, Ronald D.	✓		
RYAN, Pohai	✓		
TOKUDA, Jill N.	✓		
WAKAI, Glenn	✓		
SLOM, Sam	✓		
TOTAL	14	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>			
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*Only one measure per Record of Votes