

Honolulu, Hawaii

FEB 17 2015

RE: S.B. No. 722  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Human Services and Housing, to which was referred S.B. No. 722 entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to help Hawaii's kupuna prevent lapses or terminations of their long-term care insurance policies by:

- (1) Requiring the termination notice to be sent by certified mail or commercial delivery service instead of first-class mail; and
- (2) Requiring a 60-day grace period to reinstate coverage under a lapsed policy where cognitive impairment or loss of functional capacity is proven.

Your Committee received testimony in support of this measure from AARP Hawaii and two individuals. Your Committee received testimony in opposition to this measure from the American Council of Life Insurers. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that one significant way in which the State can support its kupuna is to help seniors avoid inadvertent lapses or terminations of their long-term care insurance, which plays an important role in financing long-term care. Furthermore, your Committee finds that the health and cognitive challenges that



the aging population face make it especially important to have strong consumer protection standards in this area. Your Committee learned through testimony that the language in this measure pertaining to reinstatement of lapsed policies is duplicative of existing language in the Hawaii Revised Statutes.

Therefore, your Committee has amended this measure by:

- (1) Eliminating the provisions that address reinstatement of long-term care insurance policies or certificates after unintentional policy lapses; and
- (2) 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 722, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services and  
Housing,



SUZANNE CHUN OAKLAND, Chair



**Record of Votes**  
**Committee on Human Services and Housing**  
**HSH**

\*Only one measure per Record of Votes