, 2018

Honolulu, Hawaii

MAR 16

RE: S.B. No. 2773

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

## Sir:

Your Committee on Intrastate Commerce, to which was referred S.B. No. 2773, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THIRD PARTY ADMINISTRATORS," begs leave to report as follows:

The purpose of this measure is to establish regulations for third party administrators. Specifically, this measure:

- (1) Encourages disclosure of contracts between insurers and third party administrators to potential insureds and the Insurance Commissioner;
- (2) Promotes the financial responsibility of third party administrators;
- (3) Regulates third party administrators' practices; and
- (4) Governs the qualifications and procedures for the licensing of third party administrators.

The Department of Commerce and Consumer Affairs, American Council of Life Insurers, and Hawaii-Western Management Group offered comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Intrastate Commerce,

TAKASHI OHNO, Chair

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

## HSCR 1186-18

## **Record of Votes of the Committee on Intrastate Commerce**

Bill/Resolution No.:  SB 2773 SD2	Committee Referral:	Date:	3/14/18	
☐ 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)				
IAC Members	Ayes	Ayes (WR)	Nays	Excused
1. OHNO, Takashi (C)	V			
2. CHOY, Isaac W. (VC)				
3. CACHOLA, Romy M.				
4. FUKUMOTO, Beth				
5. ITO, Ken			a de la compansión de la c	April 1985
6. LoPRESTI, Matthew S.				
7. ONISHI, Richard H.K.				
8. TOKIOKA, James Kunane			in Thinne on the South State of Singular State of State o	V
9. WOODSON, Justin H.				
10. WARD, Gene	· /			
TOTAL (10)	7			7
TOTAL (10)			:	3
The recommendation is:    Adopted				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				