

Honolulu, Hawaii

MAR 16, 2018

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



