STAND. COM. REP. NO. 1977 -18

Honolulu, Hawaii

APR 06 '2018

RE: S.B. No. 2773

S.D. 2 H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2773, S.D. 2, H.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 protect consumers in Hawaii by establishing a regulatory structure for third party administrators of insurance contracts, which:

- (1) Requires 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 Insurance Division of the Department of Commerce and Consumer Affairs and Hawaii-Western Management Group submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

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

SVIVIA LIKE Chair

State of Hawaii

House of Representatives
The Twenty-ninth Legislature

HSCR 1977-18

Record of Votes of the Committee on Finance

Bill/Resolution No.:	ommittee Referral:	Date:	11/11/1	
SB 2773, SD 2, HD 2 1			4/4/18	
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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)	<u> </u>			
3. CACHOLA, Romy M.				
4. DeCOITE, Lynn				
5. FUKUMOTO, Beth				
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LOWEN, Nicole E.				
11. NAKAMURA, Nadine K.		1. A .a. w 1.		
12. TODD, Chris				
13. YAMASHITA, Kyle T.				
14. TUPOLA, Andria P.L.				
15. WARD, Gene				
TOTAL (15)	12	Ø	Ø	3
The recommendation is: Adopted If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				