CONFERENCE COMMITTEE REP. NO. 85

Honolulu, Hawaii

APR 2 3 2021

RE: S.B. No. 1096 S.D. 1 H.D. 1

C.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1096, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to make necessary amendments to the Insurance Code to:

- Institute various consumer protections with regard to public adjusters, including requiring contractual terms and disclosures and granting a right to rescind;
- (2) Impose a standard of conduct on various entities;
- (3) Authorize the Insurance Commissioner to waive or modify certain fees by order;



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- (4) Reinstate the right to an administrative hearing and appeal from an order;
- (5) Amend the composition of the Hawaii Joint Underwriting Plan Board of Governors;
- (6) Correct references to the electronic payment platform developed by the National Association of Insurance Commissioners to facilitate insurers' electronic payment of premium taxes;
- (7) Mandate electronic filing of insurers' surplus lines reports and payment of surplus lines premium taxes to reduce processing errors and delays;
- (8) Change the specified dates for extensions of certificates for risk retention groups to maintain consistency with other certificates issued by the Insurance Division of the Department of Commerce and Consumer Affairs;
- (9) Lower the minimum nonforfeiture interest rate; and
- (10) Clarify that rewards under wellness programs do not qualify as prohibited rebates.

Your Committee on Conference finds that a number of administrative amendments to Hawaii's insurance code are necessary to provide clarity, enhance consumer protections, and improve the administration and enforcement of regulated entities. Your Conference on Committee further finds that this measure will accomplish these objectives.

Your Committee on Conference has amended this measure by:

- (1) Reverting to the existing statutory language for the definition of the term "complaint" to apply to the entirety of section 431:13-103, Hawaii Revised Statutes, rather than only paragraph (12) of subsection (a); and
- (2) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, H.D. 1, as amended herein, and recommends



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that it pass Final Reading in the form attached hereto as S.B. No. 1096, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

AARON DING JOHANSON Co-Chair

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ROSALYN H. B Chair

SCOIT Y. NISHIMOTO Co-Chair



Hawai'i State Legislature



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB_1096, SD 1, HD 1				Date/Time: 4 - 20 - 2021 1: 39 pm					
The recommendation of the House and Senate managers is to pass with amendments (CD).									
The Committee is reconsidering its previous decision.									
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.					JOHANSON, Aaron Ling, Co-Chr.				
CHANG, Stanley	\checkmark				NISHIMOTO, Scott Y., Co-Chr.	V			
RIVIERE, Gil	\sim				MATSUMOTO, Lauren				
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$\mathbf{A} = Aye \qquad \mathbf{W}\mathbf{R} = Aye \text{ with Reservations} \qquad \mathbf{N} = Nay \qquad \mathbf{E} = Excused$									
Senate Recommendation is:				House Recommendation is:					
Adopted INot Adopted					Adopted Not Adopted				
Senate Lead Chair's or Designee's Signature: Losuby H Bak				House Lead Chair's or Designee's Signature:					
Distribution: Original File with Conference Committee Report Hot					YellowPinkGoldenrodouse Clerk's OfficeSenate Clerk's OfficeDrafting Agency				