

STAND. COM. REP. NO.

2829

Honolulu, Hawaii

**FEB 29 2024**

RE: S.B. No. 3083  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3083 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to amend various sections of chapter 431, article 11, Hawaii Revised Statutes, to adopt revisions to the National Association of Insurance Commissioners (NAIC) Model No. 440, Insurance Holding Company System Regulatory Act.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and American Council of Life Insurers.

Your Committee received testimony in opposition to this measure from the Tradewind Group, Inc.

Your Committee finds that the ability to accurately monitor the strength and stability of an insurer is critical for both the State and those insured. Your Committee further finds that the NAIC updated certain provisions of the Insurance Holding Company System Regulatory Act, relating to, among other things, the group capital assessment and calculation, which captures insurer risk at the level of the entire group, and liquidity stress test calculation. Accordingly, this measure makes various technical



updates to the State's Insurance Holding Company System law to conform with the NAIC revisions.

Your Committee has amended this measure by:

- (1) Restoring language in the existing Insurance Holding Company System law that exempts the ultimate controlling person of a domestic insurance holding company system from the requirement of filing an annual enterprise risk report with the Insurance Commissioner;
- (2) Inserting language that exempts the ultimate controlling person of a domestic insurance holding company system from the requirement of filing annual group capital calculations with the Insurance Commissioner;
- (3) Inserting language that exempts the ultimate controlling person of a domestic insurance holding company system scoped into the liquidity stress test framework from the requirement of filing the results of a specific year's liquidity stress test with the Insurance Commissioner;
- (4) Inserting an effective date of July 1, 2040, to encourage further discussion; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3083, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



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JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB3083</i>	<i>CPN</i>	<i>2/23/24</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
<b>TOTAL</b>	<i>3</i>	<i>1</i>		<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Carol Fukunaga</i></div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes