stand. com. rep. no. **2850** 

Honolulu, Hawaii

FEB 2 9 2024

RE: S.B. No. 524

S.D. 2

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. 524, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS REGULATION,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Insurance Commissioner to require the Commissioner's pre-approval for certain salary increases granted to any person receiving a salary over a certain amount from an insurer.

Your Committee received testimony in opposition to this measure from the National Association of Mutual Insurance Companies.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that certain insurance companies that enjoy generous tax breaks have been compensating their top executives and board members generously, while increasing their insurance rates and cutting the jobs of many rank-and-file employees through company restructurings, resulting in questions being raised regarding corporate accountability and the erosion of public trust. Your Committee finds that by authorizing the Insurance Commissioner to approve certain insurer salary

increases, this measure will restore public trust, increase corporate accountability, and ensure that employees and policyholders are not financing the exorbitant compensation of certain insurance executives and board members.

Your Committee has amended this measure by inserting an effective date of July 1, 2040, to encourage further discussion.

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. 524, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 524, S.D. 2, and be placed on the calendar for Third Reading.

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

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:	Dat	:e:/ ,	
SB524 SDI	CPN		_ 2	127/7	14
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)					
FUKUNAGA, Carol (VC)			V		
MCKELVEY, Angus L.K.					
RICHARDS, III, Herbert M. "Tim"		 	/		
AWA, Brenton				/	
				· · · · · · · · · · · · · · · · · · ·	
			<u> </u>		
			ļ		
			ļ		
				<del></del>	
· · · · · · · · · · · · · · · · · · ·					
TOTAL		2	2		1
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Cand Julian egs					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Committe					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

<sup>\*</sup>Only one measure per Record of Votes