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# A BILL FOR AN ACT

RELATING TO INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Article 431:10A, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§431:10A- Health insurers; market-share-based  
5 reimbursement rates. (a) Any insurer with fifty per cent or  
6 more of the market share that provides accident and health or  
7 sickness coverage shall provide reimbursements for health care  
8 services at a rate of one hundred thirty-five per cent of the  
9 current medicare fee schedule.

10 (b) Any insurer with less than fifty per cent of the  
11 market share that provides accident and health or sickness  
12 coverage shall be exempt from payment of taxes on gross premiums  
13 pursuant to section 431:19-116; provided that:

14 (1) The insurer shall establish programs to decrease the  
15 number of uninsured; and

16 (2) Ten per cent of all new policyholders enrolled annually  
17 were previously uninsured."



1 SECTION 2. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun, before its effective date.

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval;  
6 provided that the tax exemption provided in section 1 of this  
7 Act shall be effective for tax years beginning after December  
8 31, 2007.

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INTRODUCED BY:

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**Report Title:**

Health Insurance Reimbursements

**Description:**

Provides that health insurance companies with more than 50 per cent of the market share provide increased insurance reimbursements and those insurers with less than 50 per cent of the market share will be afforded an exemption from taxes on premiums provided they work toward decreasing the number of uninsured in Hawaii.

