

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 94
H.D. 1
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 94, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to establish consumer
protections in life settlement contracts where the owner of a life
insurance policy transfers the death benefit or any portion of the
policy for compensation that is less than the expected death
benefit, but more than the surrender value of the policy.

Your Committee received testimony in support of this measure
from the Life Settlements Institute. Comments were received from
the Department of Commerce and Consumer Affairs, the American
Council of Life Insurers, and the National Association of
Insurance and Financial Advisors.

This measure regulates life settlement contracts involving
life insurance policies. A life settlement contract is a written
agreement entered into between a provider and an owner
establishing the terms under which compensation or any thing of
value will be paid, and is less than the expected death benefit of
the owner's policy or certificate, in return for the owner's
assignment, transfer, sale, devise, or bequest of the death
benefit or any portion of the policy or certificate for
compensation where the minimum value of the contract is greater
than a cash surrender value or accelerated death benefit available



under the policy or certificate at the time of an application for a life settlement contract.

Your Committee finds that the potential for deception, misrepresentation, and loss of the full benefit of the value of the policy warrants a law to regulate these instruments in the interests of protecting consumers.

Your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 94, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 94, H.D. 1, S.D. 2.

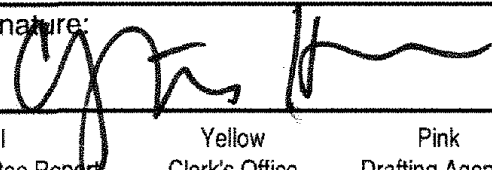
Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:
HB 94 HDI, SDI	CPH, JDL	3-28-08
<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	
TANIGUCHI, BRIAN T. (C)	/	
HEE, Clayton (VC)	/	
GABBARD, Mike	/	
KOKUBUN, Russell S.	/	
NISHIHARA, Clarence K.	/	
SLOM, Sam	/	
TOTAL	9	
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes