

**LATE**



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TO THE SENATE COMMITTEE ON COMMERCE AND  
CONSUMER PROTECTION

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2010

Friday, February 19, 2010  
9:15 a.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON SENATE BILL NO. 2698, SD1 – RELATING TO INSURANCE.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is J.P. Schmidt, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs. The Department strongly supports this Administration bill, which seeks to allow children up to the age of 27 to be covered as a dependent child under their parent's health insurance.

Currently, children up to the age of 23 who are in college are covered under the prevalent health care plan. This bill broadens the coverage at the option of the parent and will help people who in this difficult economy are unable to get jobs or who are unable to go to college due to the increasing expense. Parents can fairly judge whether this benefit is necessary or not for their children and this bill gives them the choice to provide that benefit if they deem it necessary.

If young people in this age category have jobs, then they will get health insurance through their employer and they will not need this bill. This bill is targeted at young people who may be uninsured and who may find it difficult to obtain non group health insurance at an affordable price. By bringing more of the healthier, young uninsured population into the insured system, premiums may become more affordable for the majority of people because premiums are spread among a larger pool of people. In addition, when uninsured people rely only on emergency room care, the cost of care tends to be more expensive because they do not get treatment early on that can

prevent more serious illnesses. Providing more people with insurance can therefore help to reduce underlying healthcare costs.

We thank the Committee for the opportunity to testify, and ask for your favorable consideration.