

STAND. COM. REP. NO.

828

Honolulu, Hawaii

MAR 22 2011

RE: H.B. No. 1045  
H.D. 1  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1045, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to update the Insurance Code to adopt revisions to the National Association of Insurance Commissioners model laws and regulations related to risk-based capital trend tests for property and casualty insurers as required to maintain accreditation of the Insurance Division by the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committee finds that this measure applies consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and other similar risk-bearing entities. Your Committee further finds that adopting a risk-based capital regime for entities that are not currently subject to these requirements will allow the Insurance Division to be proactive in protecting consumers from the hardship of insurer insolvency. Finally, your Committee finds that the amendments to the Insurance Code proposed by this measure are necessary for the State's Insurance Division



to maintain accreditation by the National Association of Insurance Commissioners.

Your Committee has amended this measure by 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 H.B. No. 1045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1045, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1045, HDI	CPN, WAM	3-18-11		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam	✓			
<b>TOTAL</b>	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<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