

STAND. COM. REP. NO.

2156

Honolulu, Hawaii

FEB 14 2012

RE: S.B. No. 2768

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2768 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to eliminate the underlying producer license requirement for applying for and obtaining a surplus lines broker license; provide greater clarity and consistency in licensing insurance producers selling annuity products; and clarify reinsurance intermediary licensing requirements and remove unnecessary licensing conditions.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors Hawaii, and Asurion. Your Committee received comments on this measure from the American Council of Life Insurers.

Your Committee finds that the National Association of Insurance Commissioners has requested that all states issue stand-alone surplus lines broker licenses. The amendments proposed by this measure comply with this request and eliminate the producer license prerequisite for an applicant who wishes to obtain a surplus lines broker license.

Your Committee further finds that this measure streamlines the licensing requirements for reinsurance intermediaries. Under this measure, licensed reinsurance intermediaries will no longer have to file proof of bond, the errors and omissions policy, and

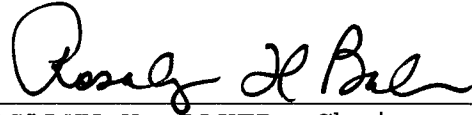


the contract with the insurer and will instead be required to produce these documents upon the Insurance Commissioner's request.

Your Committee also finds that this measure provides clarity and consistency in the licensing of insurance producers selling annuity products in the State, and permits the Insurance Commissioner to order restitution for violations of the Insurance Code.

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. 2768 and recommends that it pass Second Reading 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,

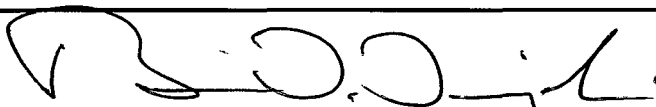


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 2768	Committee Referral: CPN, WAM	Date: 2-9-12 2-8-12		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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	✓			
TOTAL	7	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes