

STAND. COM. REP. NO.

3014

Honolulu, Hawaii

MAR 21 2018

RE: H.B. No. 1624  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.B. No. 1624, 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 delay the  
implementation of the producer licensing requirements amended by  
Act 152, Session Laws of Hawaii 2017, until January 1, 2020.

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

Your Committee finds that, among other things, Act 152,  
Session Laws of Hawaii 2017 (Act 152), conforms the State's  
producer licensing requirements to the National Association of  
Insurance Commissioners' Producer Licensing Model Act by  
eliminating producer-to-producer appointments. Your Committee  
further finds that Hawaii is the only state in the country with  
producer-to-producer appointments. The repeal of this appointment  
process is a major change in the way insurance agents are and have  
been contracted, as it means that only insurers will be able to  
appoint individual producers. According to testimony received by

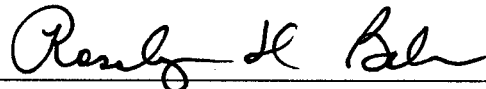


your Committee, as of June 30, 2017, there were seven thousand licensed resident producers in the State, but it is unknown how many contracts between a producer and an insurer must be re-executed in light of Act 152's producer licensing requirements. This measure therefore delays the implementation requirements for producer licensing required by Act 152, which will provide insurers with ample time to initiate the new producer appointments.

Your Committee has amended this measure by changing its effective date to July 1, 2018.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1624, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



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ROSALYN H. BAKER, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1624 HD1	CPH, WAM	3/13/18		
<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)	/			
TOKUDA, Jill N. (VC)				/
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			<i>Cl</i>
RUDERMAN, Russell E.	/			
<b>TOTAL</b>	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes