

STAND. COM. REP. NO.

1774

Honolulu, Hawaii

APR 03 2019

RE: H.B. No. 273  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.B. No. 273, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRIVACY NOTICE FOR INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an  
exemption for insurers from the required annual privacy notice to  
customers under certain circumstances.

Your Committee received testimony in support of this measure  
from the Hawaii Medical Service Association, Kaiser Permanente  
Hawaii, American Property Casualty Insurance Association, American  
Council of Life Insurers, and National Association of Mutual  
Insurance Companies. Your Committee received comments on this  
measure from the Department of Commerce and Consumer Affairs and  
State Farm Mutual Automobile Insurance Company.

Your Committee finds that existing law requires an insurer to  
send annual privacy notice updates to all of its customers in  
accordance with the federal Gramm-Leach-Bliley Act (GLBA). In  
2015, President Obama signed the Fixing America's Surface  
Transportation Act (FAST Act), which included amendments to the  
privacy provisions of the GLBA and eliminated the costly and time  
consuming requirement of the redundant annual privacy notices  
under certain conditions. So far, at least thirty-two states have



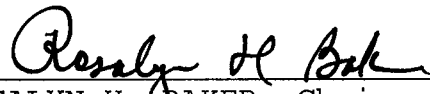
adopted provisions under the FAST Act to allow insurers relief from the annual privacy notice requirement. This measure enacts provisions of the FAST Act to remove the annual requirement if an insurer meets certain conditions. This measure also benefits the environment by reducing the number of redundant consumer notices and saves regulators time and effort reviewing and approving superfluous consumer notices.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2019; and
- (2) 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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




ROSALYN H. BAKER, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 273, HD1	CPH	3/21/19		
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>pass, with amendments</u>				
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)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett				✓
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	6			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

The Senate  
Thirtieth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 223, HD1	CPH	3/14/19		
<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)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett				✓
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.				✓
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5			2
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				

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