

Honolulu, Hawaii

FEB 14 2013

RE: S.B. No. 345

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committees on Technology and the Arts and Commerce and Consumer Protection, to which was referred S.B. No. 345 entitled:

"A BILL FOR AN ACT RELATING TO PORTABLE ELECTRONICS
INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to amend the fees related to portable electronics insurance licenses to align with similar licensing fees in other jurisdictions. Specifically, this measure increases the initial portable electronics limited lines license fee to \$5,000 and the additional license fee to \$2,500 per year for the initial or renewal term.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Asurion.

Your Committees find that portable electronics insurance licenses allow vendors to operate from multiple locations and supervise the sale of insurance by unlicensed individual employees. Act 321, Session Laws of Hawaii 2012, enacted a regulatory scheme governing the sale of portable electronics insurance by creating a licensing framework under which the retailer holds a license that authorizes its employees to sell insurance products on the retailer's behalf. This model is consistent with national trends with respect to the regulation of this product as it creates an efficient and fair licensing framework. One of the differences between the law that was enacted in Hawaii and that of other states is that Hawaii has significantly lower fees for licensure.



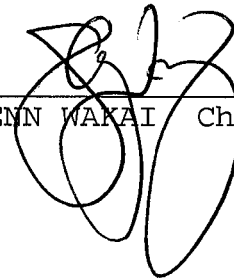
Each year, only a handful of portable electronics insurance licenses are issued or renewed, but the Department of Commerce and Consumer Affairs carries the burden of maintaining a separate license category for those few license holders. It is appropriate to offset departmental costs of such maintenance and oversight with higher license fees. This measure increases the license and renewal fees similarly to limited lines motor vehicle rental company producer's license fees and annual licensing fees for all services for regularly licensed limited line motor vehicle rental company producers.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 345 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Technology and
the Arts and Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



GLENN WAKAI, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Technology and the Arts
TEC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 345	TEC/CPN, WAM	2/6/13		
<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
WAKAI, Glenn (C)	/			
NISHIHARA, Clarence K. (VC)	/			
GABBARD, Mike	/			
TOKUDA, Jill N.				/
SLOM, Sam			/	
TOTAL	3	0	1	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 File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

