

1 association. The Hawaii property and health association shall
 2 comprise the Hawaii property insurance association, chapter
 3 431:21; Hawaii hurricane relief fund, chapter 431P; and Hawaii
 4 health insurance exchange, chapter 435H. The board shall manage
 5 and guide the operation of the association; provided that the
 6 responsibility and control over organization, management,
 7 policies, and activities of the Hawaii health insurance exchange
 8 shall include additional members pursuant to 435H-4.

9 **§ -3 Board of directors.** (a) The board of directors of
 10 the Hawaii property and health association shall have
 11 responsibility and control over organization, management,
 12 policies, and activities of the association; provided that the
 13 responsibility and control over organization, management,
 14 policies, and activities of the Hawaii health insurance exchange
 15 shall include additional members pursuant to 435H-4. The board
 16 shall be the policy making body of the association. As such,
 17 the board shall be responsible for establishing policies for the
 18 administration and operation of the association and its
 19 component agencies, namely, the Hawaii property insurance
 20 association, Hawaii hurricane relief fund, and Hawaii health



1 insurance exchange. The board shall also perform other duties
2 and functions assigned to the association.

3 The board shall consist of:

4 (1) The insurance commissioner as an ex officio voting
5 member; and

6 (2) Six voting members appointed by the governor in
7 accordance with section 26-34; provided that of the
8 members appointed by the governor, two members shall
9 be appointed from a list of nominees submitted by the
10 president of the senate and two members shall be
11 appointed from a list of nominees submitted by the
12 speaker of the house of representatives.

13 (b) Members appointed by the governor shall serve a term
14 of four years; provided that of the initial appointees:

15 (1) One member from the list of nominees submitted by the
16 president of the senate and one member from the list
17 of nominees submitted by the speaker of the house of
18 representatives shall serve for a term of two years;
19 and

20 (2) One of the remaining two members shall be appointed to
21 a term of two years.



1 (c) The governor shall select a chairperson and vice-
2 chairperson from among the members.

3 (d) The board shall meet as often as necessary to
4 formulate and implement strategies and plans of operation in
5 furtherance of this chapter. Upon the initial appointment of
6 its members, the board shall adopt an interim plan of operation
7 within ninety days.

8 (e) The board members shall receive no compensation for
9 services, but shall be entitled to reimbursement of necessary
10 expenses, including travel expenses, incurred in the performance
11 of their duties.

12 (f) The board may appoint, not subject to chapter 76, an
13 executive director of the association whose salary shall be set
14 by the board. The board may employ, not subject to chapter 76,
15 technical experts and officers, agents, and employees, permanent
16 or temporary, as required for the operation of the association
17 and its component agencies. The board may also contract with
18 persons, not subject to chapters 76 and 78 when in the
19 determination of the board, the services to be performed are
20 unique and essential to the execution of the functions of the
21 association or its component agencies."



1 SECTION 2. Section 431:21-104, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§431:21-104 Board of directors.** (a) The board of
4 directors [~~shall have responsibility and control over the~~
5 ~~organization, management, policies, and activities of the~~
6 ~~association. The board of directors of the association shall~~
7 ~~consist of twelve persons serving terms as established in the~~
8 ~~plan of operation. The board shall be composed of:~~

9 (1) ~~Eight voting members selected by the member insurers;~~

10 (2) ~~One voting member appointed by the commissioner to~~
11 ~~represent insurance producers; and~~

12 (3) ~~Three voting members appointed by the commissioner to~~
13 ~~represent the public.~~

14 (b) ~~The commissioner shall appoint the initial members of~~
15 ~~the board of directors. All member insurers shall be fairly~~
16 ~~represented on the board.] of the Hawaii property and health~~
17 ~~association shall be the board of directors of the Hawaii~~
18 ~~property insurance association with responsibility and control~~
19 ~~established under chapter .~~



1 [~~(e)~~] (b) Members of the board may be reimbursed from the
2 assets of the association for reasonable expenses incurred by
3 them as members of the board of directors."

4 SECTION 3. Section 431P-3, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§431P-3 Board of directors.** [~~(a)~~] The board of
7 directors of the fund shall consist of the [insurantee
8 ~~commissioner as an ex officio voting member and six members~~
9 ~~appointed by the governor in accordance with section 26-34. The~~
10 ~~board shall be the policy making body of the fund. As such, the~~
11 ~~board shall be responsible for establishing policies for the~~
12 ~~administration and operation of the fund and the performance of~~
13 ~~other duties and functions assigned to the fund.~~

14 ~~(b) Two members shall, by and with the advice and consent~~
15 ~~of the senate, be appointed by the governor for a term of four~~
16 ~~years; provided that of the initial appointees, one shall be~~
17 ~~appointed for a two year term. A vacancy on the authority of a~~
18 ~~seat subject to this subsection shall be filled in accordance~~
19 ~~with Article V, section 6, of the Constitution of the State of~~
20 ~~Hawaii.~~



1 ~~(c) Two members shall, by and with the advice and consent~~
2 ~~of the senate, be appointed by the governor from a list of~~
3 ~~nominations submitted by the president of the senate. The~~
4 ~~members appointed from a list of nominations of the president of~~
5 ~~the senate shall serve for a term of four years; provided that~~
6 ~~of the initial appointees, one shall be appointed for a two year~~
7 ~~term.~~

8 ~~(d) Two members shall, by and with the advice and consent~~
9 ~~of the senate, be appointed by the governor from a list of~~
10 ~~nominations submitted by the speaker of the house of~~
11 ~~representatives. The members appointed from a list of~~
12 ~~nominations of the speaker of the house of representatives shall~~
13 ~~serve for a term of four years; provided that of the initial~~
14 ~~appointees, one shall be appointed for a two year term.~~

15 ~~(e) The governor shall select a chairperson and vice~~
16 ~~chairperson from among the members.~~

17 ~~(f) The board shall meet as often as necessary to~~
18 ~~formulate and implement strategies and plans of operation in~~
19 ~~furtherance of this chapter. Upon its appointment, the board~~
20 ~~shall adopt an interim plan of operation within ninety days.~~



1 ~~(g) The appointed directors shall receive no compensation~~
 2 ~~for services, but shall be entitled to reimbursement of~~
 3 ~~necessary expenses, including travel expenses, incurred in the~~
 4 ~~performance of their duties.~~

5 ~~(h) The board may appoint, not subject to chapter 76, an~~
 6 ~~executive director of the fund whose salary shall be set by the~~
 7 ~~board. The board may employ, not subject to chapter 76,~~
 8 ~~technical experts and officers, agents, and employees, permanent~~
 9 ~~or temporary, as required. The board may also contract with~~
 10 ~~persons, not subject to chapters 76 and 78 when in the~~
 11 ~~determination of the board, the services to be performed are~~
 12 ~~unique and essential to the execution of the functions of the~~
 13 ~~fund.] board of directors of the Hawaii property and health~~
 14 ~~association with responsibility and control established under~~
 15 ~~chapter . . ."~~

16 SECTION 4. Section 435H-4, Hawaii Revised Statutes, is
 17 amended by amending subsection (a) to read as follows:

18 "(a) The Hawaii health connector shall be a nonprofit
 19 entity governed by a board of directors that shall be composed
 20 of the board of the Hawaii property and health association, who
 21 shall be voting members, and an additional nine voting members



1 and five ex officio members[-] with responsibility and control
 2 established under chapter . The nine voting members and
 3 five ex officio members shall be appointed pursuant to
 4 subsections (c), (d), and (e). There shall be no board members
 5 representing insurers or dental benefit providers; provided that
 6 the board may establish a subcommittee of representatives from
 7 all providers of health care insurance and dental benefits to
 8 provide technical assistance and other information to the
 9 connector on relevant insurance matters. The board may
 10 establish other subcommittees to assist the connector with
 11 implementation of the Federal Act, as appropriate."

12 SECTION 5. The term of office of each existing member of
 13 the boards of directors of the Hawaii property insurance
 14 association and the Hawaii hurricane relief fund in office as of
 15 the day before the effective date of this Act shall terminate on
 16 March 1, 2016. The nomination and appointment of members of the
 17 board of directors of the Hawaii property and health association
 18 pursuant to section 1 of this Act shall not cause the term of
 19 office of any existing member of the boards of directors of the
 20 Hawaii property insurance association and the Hawaii hurricane
 21 relief fund to terminate before that date, regardless of the



1 date of the successor member's appointment by and with the
2 advice and consent of the senate.

3 No existing member of the boards of directors of the Hawaii
4 property insurance association and the Hawaii hurricane relief
5 fund as they are constituted on the day prior to the effective
6 date of this Act shall serve as a holdover member due to a
7 vacancy as of March 1, 2016, in the membership of the board of
8 directors of the Hawaii property and health association as it is
9 constituted by section 1 of this Act; provided that a new term
10 of office as a member of the board of directors of the Hawaii
11 property and health association for the insurance commissioner
12 shall automatically commence on March 1, 2016, pursuant to
13 section 1 of this Act.

14 The term of office of each member of the board of directors
15 of the Hawaii health insurance exchange shall continue
16 uninterrupted and unaffected by this Act, in accordance with
17 section 4 of this Act.

18 The nomination and appointment by and with the advice and
19 consent of the senate of members of the board of directors of
20 the Hawaii property and health association pursuant to section 1
21 of this Act shall take place as expeditiously as possible so

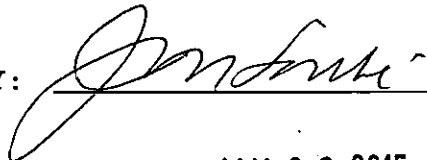


1 that, to the extent possible, there are no vacancies in the
2 membership of the board as of March 1, 2016. The speaker of the
3 house of representatives and president of the senate shall each
4 submit lists of nominees for each appointment subject to their
5 respective nominating authority, as required by section 1 of
6 this Act, no later than December 30, 2015. The governor shall
7 make all appointments of members of the authority, including
8 from each of the lists submitted, no later than January 29,
9 2016.

10 SECTION 6. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect upon its approval.

13

INTRODUCED BY: 

JAN 23 2015



H.B. NO. 286

Report Title:

Hawaii Property and Health Association; Hawaii Property Insurance Association; Hawaii Hurricane Relief Fund; Hawaii Health Insurance Exchange

Description:

Establishes the Hawaii Property and Health Association to manage and guide the operation of the Hawaii Property Insurance Association, Hawaii Hurricane Relief Fund, and Hawaii Health Insurance Exchange.

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