

Honolulu, Hawaii

APR 23 2021

RE: S.B. No. 1096
S.D. 1
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1096, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to make necessary amendments to the Insurance Code to:

- (1) Institute various consumer protections with regard to public adjusters, including requiring contractual terms and disclosures and granting a right to rescind;
- (2) Impose a standard of conduct on various entities;
- (3) Authorize the Insurance Commissioner to waive or modify certain fees by order;



- (4) Reinstate the right to an administrative hearing and appeal from an order;
- (5) Amend the composition of the Hawaii Joint Underwriting Plan Board of Governors;
- (6) Correct references to the electronic payment platform developed by the National Association of Insurance Commissioners to facilitate insurers' electronic payment of premium taxes;
- (7) Mandate electronic filing of insurers' surplus lines reports and payment of surplus lines premium taxes to reduce processing errors and delays;
- (8) Change the specified dates for extensions of certificates for risk retention groups to maintain consistency with other certificates issued by the Insurance Division of the Department of Commerce and Consumer Affairs;
- (9) Lower the minimum nonforfeiture interest rate; and
- (10) Clarify that rewards under wellness programs do not qualify as prohibited rebates.

Your Committee on Conference finds that a number of administrative amendments to Hawaii's insurance code are necessary to provide clarity, enhance consumer protections, and improve the administration and enforcement of regulated entities. Your Conference on Committee further finds that this measure will accomplish these objectives.

Your Committee on Conference has amended this measure by:

- (1) Reverting to the existing statutory language for the definition of the term "complaint" to apply to the entirety of section 431:13-103, Hawaii Revised Statutes, rather than only paragraph (12) of subsection (a); and
- (2) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, H.D. 1, as amended herein, and recommends



that it pass Final Reading in the form attached hereto as S.B.
No. 1096, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



AARON DING JOHANSON
Co-Chair



ROSALYN H. BAKER
Chair



SCOTT Y. NISHIMOTO
Co-Chair



