

STAND. COM. REP. NO. **1695**

Honolulu, Hawaii
APR 08 , 2021

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1096, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to make various amendments to the State's insurance laws. Specifically, this measure:

- (1) Institutes certain consumer protections with regard to public adjusters, by:
 - (A) Requiring certain contractual terms and disclosures;
 - (B) Specifying that the commissions, fee, or other compensation that public adjusters may charge cannot be unreasonable; and
 - (C) Specifying that insureds have a right to rescind that contract, with certain restrictions;
- (2) Imposes the standard of conduct that is applied to other insurers upon limited lines motor vehicle rental company

producers, owners of self-service storage facilities,
and vendors of portable electronics;

- (3) Authorizes the Insurance Commissioner to waive or modify, in whole or part, upon a showing of good cause, any or all fees deposited into the Commissioner's Education and Training Fund and Compliance Resolution Fund;
- (4) Mandates the electronic payment of certain taxes and electronic filing of certain reports, and updates the system utilized for electronic filing;
- (5) Corrects an inaccuracy by stating that public adjusters and bill reviewers handle funds, not premiums;
- (6) Reinstates the right to an administrative hearing and appeal from an order that was inadvertently repealed by Act 279, Session Laws of Hawaii 2019;
- (7) Amends the composition and criteria for choosing members of the Hawaii Joint Underwriting Plan Board of Governors;
- (8) Lowers the minimum nonforfeiture interest rate from one percent to fifteen-hundredth of one percent;
- (9) Clarifies that rewards under wellness programs that meet certain criteria do not constitute a rebate by insurers to insureds;
- (10) Deletes the statutory date for extensions of certificates of authority for risk retention groups and authorizes the Insurance Commissioner to establish the dates consistent with the Insurance Commissioner's authority to establish dates for extensions for other insurers under the Insurance Code; and
- (11) Repeals the \$140 penalty imposed on pharmacy benefit managers for failure to renew their registration.

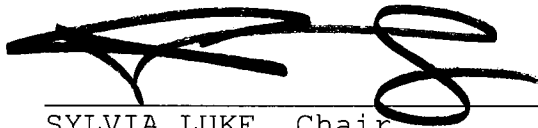
Your Committee received testimony in support of this measure from the American Insurance Group, Inc.; Planned Parenthood Votes Northwest and Hawaii; Kaiser Permanente Hawai'i; American



Association of Public Insurance Adjusters; American Council of Life Insurers; and Hawaii Medical Service Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

HSER 1695

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 1096, SDI, HDI	Committee Referral: CPC, FIN	Date: 3-31-2021		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	✓			
2. CULLEN, Ty J.K. (VC)	✓			
3. BRANCO, Patrick Pihana	✓			
4. ELI, Stacelynn K.M.	✓			
5. HOLT, Daniel	✓			
6. ILAGAN, Greggor	✓			
7. KOBAYASHI, Bertrand	✓			
8. MARTEN, Lisa	✓			
9. NISHIMOTO, Scott Y.	✓			
10. PERRUSO, Amy A.	✓			
11. SAYAMA, Jackson D.	✓			
12. TAM, Adrian K.	✓			
13. WILDBERGER, Tina	✓			
14. YAMASHITA, Kyle T.	✓			
15. McDERMOTT, Bob				✓
TOTAL (15)	14	∅	∅	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				