

Honolulu, Hawaii

April 24, 2008

RE: H.B. No. 2255
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2255, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LIFE 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 bill is to update Hawaii's life insurance laws by implementing provisions adopted by the National Association of Insurance Commissioners (NAIC) relating to employee group life insurance policies, group life insurance coverage for spouses and dependents of insured persons, and the replacement of life insurance policies and annuities. Specifically, this bill:

- (1) Allows premiums for employee group life insurance policies to be paid entirely by the employer, entirely by the insured employees, or by a combination of both employer and employee contributions;

HB2255 CD1 HCCR HMS 2008-3914



(2) Eliminates:

- (A) The requirement that a group life insurance policy funded partially by the insured employees have a participation of at least 75 percent of the eligible employees;
- (B) The requirement that employee group life insurance policies cover at least ten employees at the time of issue;
- (C) The provision precluding individual selection by employees of amounts of insurance under an employee group insurance policy; and
- (D) Restrictions, based on the status of dependents, on the ability of insured employees to have their dependents covered under a group life insurance policy in amounts equivalent to the amount of coverage for the employee;

and

- (3) Excludes the exercise of a term conversion privilege among corporate affiliates from the laws governing the replacement of life insurance policies and annuities.

This bill conforms Hawaii law to model acts and regulations of the NAIC and removes certain outdated restrictions on the purchase of group life insurance policies, which may provide consumers with more options to obtain life insurance. Your Committee on Conference finds that the adoption of these provisions promotes uniformity of state insurance laws and will help ease regulatory compliance for insurers doing business across various states.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

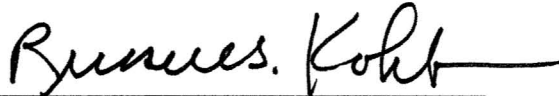


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2255, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2255, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



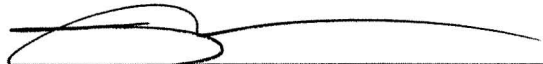
RUSSELL S. KOKUBUN, Chair



ROBERT N. HERKES, Co-Chair



BRIAN T. TANIGUCHI, Co-Chair



ALEX M. SONSON, Co-Chair



