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INSURANCE DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS  
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**Public Hearing Relating To Proposed Amendments  
Chapter 16-169, Hawaii Administrative Rules  
Actuarial Opinion and Memorandum  
June 14, 2012**

Present: Mark K. Morita, Supervising Attorney, Hearings Officer, Insurance Division  
Wray H. Kondo, Watanabe Ing, LLP for Property Casualty Insurers Assoc. of  
America

Pursuant to Hawaii Administrative Rules ("HAR") chapter 16-20, Hawaii Revised Statutes ("HRS") section 431:2-201 and chapter 91, a notice of today's hearing was published on Friday, May 11, 2012, in the Honolulu Star Advertiser. Notice was given that the Insurance Division of the Department of Commerce and Consumer Affairs would hold a public hearing at this time and to hear all persons interested in the proposed amendment and compilation of Hawaii Administrative Rules ("HAR") chapter 16-169 entitled "Actuarial Opinion and Memorandum."

The hearing was convened at 10:00 a.m. and concluded at 10:20 a.m.

Written Testimony Received from:

Mr. Mark Sektnan, Vice President, Property Casualty Insurance Association of America  
Ms. Alison Powers, Executive Director, Hawaii Insurers Council  
Ms. Heather Cohn-Jalbert, Compliance and Research Analyst, Wolters Kluwer Financial Services

Minutes of Hearing

1. Mr. Sektnan and Ms. Powers recommended a non-substantive change to the heading of § 16-169-13, Chapter 16-169 from Required Submittals to Actuarial Report and Workpapers.

Division response: The recommendation is appropriate and will be adopted by the Division. The non-substantive change does not require another hearing.

2. Mr. Sektnan recommended a substantive change to § 16-169-12, Chapter 16-169 by including the sentence: "The actuarial opinion summary shall be confidential in accordance with HRS §431:3-304.5." The recommendation would standardize the language in § 16-169-11 pertaining to domestic insurers and § 16-169-12 pertaining to foreign and alien insurers.

Division response: Although the recommendation would create identical language for all insurers, § 16-169-12 references HRS §431:3-304.5 and the Commissioner's statutory authority

to protect these confidential documents from disclosure is covered by the Commissioner's powers in HRS §431:3-304.5. Therefore, this recommendation is not adopted.

3. Ms. Cohn-Jalbert highlighted non-substantive errors in the format and typing of the proposed amendments. The proposed final amended rules were accurately stated, but the ramseyer convention was not followed.

Division response: The ramseyer draft and the final "clean" draft will reflect the correct drafting convention.

#### Conclusion

After careful consideration, the Division has decided to recommend to the Governor that the proposal to amend and compile HAR Chapter 16-169 including the non-substantive recommendations be approved.