
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431:10E, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431:10E-A Coverage for damage caused by earthquake.

5 (a) No contract of insurance on property or of any
6 interest therein or arising therefrom shall be issued in this
7 State unless the named insured is offered coverage for loss or
8 damage caused by earthquake. The coverage may be provided in
9 the policy of insurance itself, either by specific provision or
10 endorsement, or in a separate policy specifically providing
11 coverage for loss or damage caused by earthquake alone or in
12 combination with other perils.

13 (b) Nothing in this section shall require an insurer to
14 issue a policy of property insurance except in accordance with
15 the insurer's usual underwriting standards. The standards shall
16 not permit an insurer to provide a policy of property insurance
17 unless the offer of coverage required by this section is made.



1 (c) An insurer that issues or delivers a policy of
 2 property insurance in this State may comply with the provisions
 3 of this section in any of the following ways:

4 (1) By offering to underwrite directly the risk of
 5 loss or damage caused by earthquake;

6 (2) By arranging for earthquake coverage to be
 7 offered by an affiliated insurer; or

8 (3) By arranging for the coverage to be offered
 9 through an insurance agent or broker under a
 10 policy or certificate of insurance issued by a
 11 nonaffiliated insurer."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on January 1, 2008.

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INTRODUCED BY:

Karen Chuana
[Signature]
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JAN 23 2007



Report Title:

Property insurance

Description:

Mandates that coverage for loss or damage caused by earthquakes be offered when property insurance is offered.

