H.B. NO. 317

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A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1	SECT	ION 1. Section 431:10C-111, Hawaii Revised Statutes,	
2	is amended as follows:		
3	1.	By amending subsection (a) to read:	
4	"(a)	An insurer may not cancel or refuse to renew a motor	
5	vehicle i	nsurance policy, including optional additional	
6	insurance	under the requirements of section 431:10C-302, once	
7	issued except when:		
8	(1)	The license of the principal operator to operate	
9		the type of motor vehicle is suspended or	
10		revoked;	
11	(2)	Premium payments for the policy are not made	
12		after reasonable demand therefor;	
13	(3)	The nonrenewal or conditional renewal is limited	
14		in accordance with section 431:10C-111.5; [or]	
15	(4)	A motor vehicle insurance policy has been in	
16		effect for sixty days or less and cancellation of	
17		the policy is not based on any of the criteria	



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1		prohibited by subsection (c) $[-]$; or
2	(5)	The policy is transferred to an affiliate or
3		subsidiary of the insurer, and such transfer will
4		result in a lower premium rate than would
5		otherwise be available under the original
6		policy."
7	2. H	By amending subsection (d) to read:
8	"(d)	An insurer may also refuse to renew motor vehicle
9	insurance	policies:
10	(1)	If the commissioner determines that the financial
11		soundness of the insurer would be impaired by the
12		writing of additional policies of insurance; or
13	(2)	[The] <u>If the</u> insurer ceases to write any new
14		policies of insurance of any kind in this
15		[State.] <u>state.</u> "
16	SECTI	ION 2. Statutory material to be repealed is bracketed
17	and strick	cen. New statutory material is underscored.
18	SECTI	ION 3. This Act shall take effect upon its approval.
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		INTRODUCED BY:
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H.B. NO. 7(7

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Report Title: Motor Vehicle Insurance; Cancellation

Description:

Allows an insurer to cancel or refuse to renew a motor vehicle policy where the policy is transferred to an affiliate or subsidiary of the insurer, and the premium rate is reduced by the transfer.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

