

JAN 25 2012

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# A BILL FOR AN ACT

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RELATING TO HEALTH INSURANCE.

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

1       SECTION 1. No later than January 1, 2014, the insurance  
2       commissioner shall solicit proposals from health insurers  
3       domiciled outside the State to participate in Hawaii's health  
4       insurance market and offer health insurance coverage to  
5       residents of the State. Coverage may include health benefits  
6       plans provided through accident and health or sickness insurance  
7       contracts or by mutual benefit societies or health maintenance  
8       organizations.

9       SECTION 2. Section 431:7-202, Hawaii Revised Statutes, is  
10      amended by amending subsection (a) to read as follows:

11       "(a) Each authorized insurer, except with respect to all  
12      life insurance contracts, ocean marine insurance contracts, and  
13      real property title insurance contracts, shall pay to the  
14      director of finance through the commissioner a tax of [4-265]  
15      2.5 per cent on the gross premiums written from all risks or  
16      property resident, situated, or located within this State,  
17      during the year ending on the preceding December 31, less return  
18      premiums (but not including dividends paid or credited to



1 policyholders), and less any reinsurance accepted (the tax upon  
2 such business being payable by the direct writing insurer).

3 All premiums written, procured, or received in the State  
4 shall be presumed to have been from risks or property resident,  
5 situated, or located within the State. This presumption may be  
6 rebutted as to any premium:

7           (1) By showing that it has been properly allocated or  
8           apportioned and reported as a taxable premium of  
9           another state or other appropriate taxing authority;  
10          or

11           (2) By facts as to the residence, situation, or location  
12           of the risks or property, conclusively showing the  
13           nontaxability of the premium."

14           SECTION 3. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

**16** SECTION 4. This Act shall take effect on July 1, 2012.

INTRODUCED BY:

by request



# S.B. NO. 2676

**Report Title:**

Health Insurance

**Description:**

Directs the insurance commissioner to solicit proposals from mainland health insurance companies to offer health insurance to Hawaii residents. Lowers the insurance premium tax to 2.5 per cent.

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

