

JAN 27 2016

A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 431:21-119, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§431:21-119 Issuance of new policies; removal of
4 moratorium. If residential property insurance is unavailable,
5 as determined by the commissioner, due to a moratorium on the
6 issuance of policies on property situated in lava zones where
7 the mayor of the county of Hawaii has issued a proclamation
8 declaring a state of emergency exists due to the threat of
9 imminent disaster from a lava flow, the association shall remove
10 its moratorium. Upon the moratorium's removal, the association
11 shall offer new policies and may provide a waiting period of no
12 longer than six months for the policy coverage to take effect;
13 provided that the residential property in the lava zone does not
14 have current insurance."

15 SECTION 2. New statutory material is underscored.

S.B. NO. 2851

1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

S.B. NO. 2851

Report Title:

Property Insurance; Hawaii Property Insurance Association;
Policies; Non-renewal; Lava Zone; State of Emergency; Moratorium

Description:

Requires the Insurance Commissioner to determine whether
residential property insurance is unavailable due to a
moratorium on insurance policies in a lava zone during a state
of emergency due to lava flow.

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

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO INSURANCE.

PURPOSE: To require the Insurance Commissioner to determine whether residential property insurance is unavailable due to a moratorium on insurance policies in a lava zone during a state of emergency due to lava flow.

MEANS: Amend section 431:21-119, Hawaii Revised Statutes.

JUSTIFICATION: Whether residential property insurance is or is not available due to a moratorium can be unclear and should therefore be determined by the Insurance Commissioner for efficiency and clarification purposes.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: CCA-106.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.