
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to part I of article 10C to be
3 appropriately designated and to read as follows:
4 "§431:10C- Payment of general excise tax and certificate
5 of ownership fee on third party claims. (a) When a motor
6 vehicle insurer settles a total loss motor vehicle damage
7 liability claim with a third-party claimant, the insurer shall
8 pay the applicable general excise tax and certificate of
9 ownership fee; provided that if the third-party claimant cannot
10 substantiate the purchase and the payment of the general excise
11 tax and certificate of ownership fee by submitting to the
12 insurer appropriate documentation within thirty-three days after
13 the receipt of settlement, the insurer shall not be required to
14 reimburse the third-party claimant for the tax or fee.
15 (b) In lieu of the procedure in subsection (a), the
16 insurer may directly pay the required general excise tax and



1 certificate of ownership fee to the third-party claimant at the
2 time of settlement.

3 (c) Written notice of the payment procedure outlined in
4 this section shall be communicated to the third-party claimant
5 at the time of settlement, together with any form required by
6 the insurer for applying for the reimbursement.

7 (d) An insurer's obligation to reimburse a third-party
8 claimant for the applicable general excise tax and certificate
9 of ownership fee as set forth in this section shall be subject
10 to the property damage liability limit of the policy."

11 SECTION 2. Section 431:2-403, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) Violation of subsection (a) is a criminal offense and
14 shall constitute:

15 (1) A class B felony if the value of the benefits,
16 recovery, or compensation obtained or attempted to be
17 obtained [~~is more than~~] exceeds \$20,000;

18 (2) A class C felony if the value of the benefits,
19 recovery, or compensation obtained or attempted to be
20 obtained [~~is more than \$300,~~] exceeds \$750; or



1 (3) A misdemeanor if the value of the benefits, recovery,
2 or compensation obtained or attempted to be obtained
3 is [~~\$300 or less.~~] not in excess of \$750."

4 SECTION 3. Section 431:3-212, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§431:3-212 **Application for authority.** To apply for an
7 original certificate of authority, an insurer shall[+] file with
8 the commissioner a Uniform Certificate of Authority Application
9 from the National Association of Insurance Commissioners that
10 shall set forth or be accompanied by all of the following:

11 (1) [~~File with the commissioner its~~] The insurer's request
12 showing:

13 (A) Its name, in compliance with sections 431:3-
14 202(b) and 431:4-104(d)(1), home office location,
15 type of insurer, organization date, [and] state
16 or country of its domicile, and name and location
17 of the principal office of its attorney-in-fact,
18 if a reciprocal insurer;

19 (B) The classes of insurance it proposes to transact;
20 and



- 1 (C) Additional information as the commissioner may
- 2 reasonably require[+].
- 3 (2) [~~File with the commissioner.~~] Documents including the
- 4 following:
- 5 (A) A copy of its charter as amended or [~~such copy~~]
- 6 certified by the proper public officer of the
- 7 state or country of domicile, if a foreign or
- 8 alien insurer;
- 9 (B) A copy of its bylaws as amended, certified by its
- 10 proper officer;
- 11 (C) A copy of its annual statement as of December 31
- 12 last preceding;
- 13 (D) An appointment of the commissioner as its
- 14 attorney to receive service of legal process, if
- 15 a foreign or alien insurer[-] or a domestic
- 16 reciprocal insurer;
- 17 (E) The name and business address of its authorized
- 18 resident agent upon whom process may be served in
- 19 all cases, if a foreign or alien insurer;



- 1 (F) A copy of the appointment and authority of its
2 United States manager, certified by its proper
3 officer, if an alien insurer;
- 4 (G) A certificate from the proper public official of
5 its state or country of domicile showing that it
6 is duly organized and [~~is~~] authorized to transact
7 the classes of insurance proposed to be
8 transacted, if a foreign or alien insurer;
- 9 (H) The declaration required by section 431:4-409, if
10 a domestic reciprocal insurer;
- 11 (I) [~~Certificate~~] A certificate of the proper public
12 official as to any deposit made or held in
13 compliance with this code;
- 14 (J) [~~Copy~~] A copy of the report of the last
15 examination made of the insurer certified by the
16 insurance supervisory official of its state of
17 domicile or entry into the United States, if a
18 foreign or alien insurer; and
- 19 (K) Other documents or stipulations as the
20 commissioner may reasonably require to evidence
21 compliance with this code [~~and~~].



1 (3) [~~Deposit~~] A deposit with the commissioner of the
2 appropriate fees required by this code."

3 SECTION 4. Section 431:3-212.5, Hawaii Revised Statutes,
4 is amended by amending subsection (b) to read as follows:

5 "(b) Each transferring insurer shall file new policy forms
6 on or before the effective date of the transfer, if such forms
7 are required to be approved by the commissioner. The insurer
8 may use existing policy forms with appropriate endorsements if
9 permitted by [~~and under such conditions as approved by,~~] the
10 commissioner. Every [~~such~~] transferring insurer shall notify
11 the commissioner of the details of the proposed transfer and
12 shall file promptly a Uniform Certificate of Authority
13 Application for any resulting amendments to corporate documents
14 filed or required to be filed with the commissioner."

15 SECTION 5. Section 431:7-101, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) The commissioner shall collect, in advance, the
18 following fees:

- 19 (1) Certificate of authority:
 - 20 (A) Application for [a] certificate of authority . \$900
 - 21 (B) Issuance of certificate of authority \$600



- 1 (C) Application for motor vehicle self-insurance . \$300
- 2 (2) Organization of domestic insurers and affiliated
- 3 corporations:
- 4 (A) Application for [a] solicitation permit \$1,500
- 5 (B) Issuance of solicitation permit \$150
- 6 (3) Producer's license:
- 7 (A) Issuance[7] of regular license \$50
- 8 (B) Issuance[7] of temporary license \$50
- 9 (4) Nonresident producer's license: Issuance \$75
- 10 (5) Independent adjuster's license: Issuance \$75
- 11 (6) Public adjuster's license: Issuance \$75
- 12 (7) Claims adjuster's limited license: Issuance \$75
- 13 (8) Independent bill reviewer's license:
- 14 Issuance \$80
- 15 (9) Limited producer's license: Issuance \$60
- 16 (10) Managing general agent's license: Issuance \$75
- 17 (11) Reinsurance intermediary's license:
- 18 Issuance \$75
- 19 (12) Surplus lines broker's license: Issuance \$150
- 20 (13) Service contract provider's registration:
- 21 Issuance \$75



- 1 (14) Approved course provider certificate:
- 2 Issuance \$100
- 3 (15) Approved continuing education course certificate:
- 4 Issuance \$30
- 5 (16) Vehicle protection product warrantor's registration:
- 6 Issuance \$75
- 7 (17) Criminal history record check; fingerprinting: For
- 8 each criminal history record check and fingerprinting
- 9 check, a fee to be established by the commissioner.
- 10 (18) Limited line motor vehicle rental company producer's
- 11 license: Issuance \$1,000
- 12 (19) Legal service plan certificate of authority:
- 13 Issuance before July 1, 2014 \$1,000
- 14 Issuance on or after July 1, 2014 \$500
- 15 (20) Life settlement provider's license:
- 16 Issuance before July 1, 2014 \$150
- 17 Issuance on or after July 1, 2014 \$75
- 18 (21) Life settlement broker's license:
- 19 Issuance before July 1, 2014 \$150
- 20 Issuance on or after July 1, 2014 \$75



1 (22) Examination for license: For each examination, a fee
2 to be established by the commissioner."

3 SECTION 6. Section 431:9-201, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Notwithstanding subsection (a), following a
6 [~~catastrophe in this State,~~] declaration by the commissioner
7 authorizing assistance of nonresident adjusters, a Hawaii
8 license shall not be required of a nonresident adjuster for the
9 adjustment of losses; provided that:

10 (1) The common losses suffered that are to be adjusted are
11 a direct result of [~~the catastrophe~~] an event and
12 [~~shall be~~] are so severe that licensed adjusters and
13 licensed independent adjusters who are residents of
14 this State will be unable to adjust the losses within
15 a reasonable time as determined by the commissioner;

16 (2) The nonresident adjuster provides [~~to~~] the
17 commissioner a certified copy of the adjuster's
18 current license in another state. The other state
19 shall have substantially similar licensing
20 requirements to section 431:9-222; and



1 (3) Within three working days of the commencement of work
2 by the nonresident adjuster, the insurance company,
3 independent adjusting company, or producer that is
4 using the adjuster shall provide on its letterhead to
5 the commissioner:

6 (A) The name of the nonresident adjuster;

7 (B) The nonresident adjuster's Hawaii mailing and
8 business addresses and phone numbers; and

9 (C) The nonresident adjuster's permanent home and
10 business addresses and phone numbers.

11 Upon satisfaction of all of these requirements, the
12 nonresident adjuster may be registered with the commissioner and
13 adjust ~~[catastrophic]~~ the event's losses in this State for up to
14 one hundred twenty days from the date of registration or for a
15 period of time determined by the commissioner, whichever is
16 less.

17 As used in this subsection, [~~"catastrophe"~~] "event" means
18 insured property losses in Hawaii that result from a sudden,
19 specific, and natural or manmade disaster or phenomenon, as
20 determined by the commissioner."



1 SECTION 7. Section 431:9A-102, Hawaii Revised Statutes, is
2 amended by amending the definition of "terminate" to read as
3 follows:

4 "Terminate" means:

5 (1) To cancel the relationship between an insurance
6 producer and an insurer; or

7 ~~[-(2) To cancel the relationship between an appointing
8 producer and another producer; or~~

9 ~~-(3)]~~ (2) To terminate a producer's authority to transact
10 insurance."

11 SECTION 8. Section 431:9A-114, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "~~§431:9A-114~~ **Appointments.** (a) An insurance producer
14 shall not act as an agent of an insurer unless the [~~insurance]~~
15 producer becomes an appointed agent of that insurer [~~or is~~
16 ~~contracted with and appointed by an insurance producer so~~
17 ~~appointed]~~.

18 (b) To appoint a producer as its agent, the [~~appointing]~~
19 insurer [~~or producer]~~ shall file, in a format approved by the
20 commissioner, a notice of appointment within fifteen days from
21 the date the agency or business entity contract is executed or



1 the first insurance application is submitted to the insurer [~~or~~
2 ~~producer~~]. If the appointment form is not received by the
3 commissioner within the fifteen-day period, the appointment
4 shall become effective on the date on which the commissioner
5 receives the appointment form. A producer shall disclose to a
6 client if the conditions of subsection (a) have not been met.
7 An insurer [~~or producer~~] may also elect to appoint a producer to
8 all or some insurers within the insurer's [~~or producer's~~]
9 holding company system or group by filing with the commissioner
10 a single appointment notice.

11 (c) Upon receipt of the notice of appointment and within a
12 reasonable time not to exceed thirty days, the commissioner
13 shall verify that the [~~insurantee~~] producer is eligible for
14 appointment. If the [~~insurantee~~] producer is determined to be
15 ineligible for appointment, the commissioner shall notify the
16 appointing insurer [~~or producer~~] within five days of its
17 determination.

18 (d) An appointing insurer [~~or producer~~] shall pay an
19 appointment fee, in the amount and method of payment set forth
20 in article 7, for each [~~insurantee~~] producer appointed by the
21 appointing insurer [~~or producer~~].



1 (e) An appointing insurer [~~or producer~~] shall remit, in a
2 manner prescribed by the commissioner, a renewal appointment fee
3 in the amount set forth in article 7."

4 SECTION 9. Section 431:9A-115, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§431:9A-115 Notification to commissioner of termination.

7 (a) A producer who terminates the appointment, employment,
8 contract, or other insurance business relationship with an
9 insurer shall notify the commissioner within thirty days
10 following the effective date of the termination, using the
11 applicable format prescribed by the commissioner. An insurer[~~7~~]
12 or its authorized representative [~~of the insurer, or a producer~~]
13 that terminates the appointment, employment, contract, or other
14 insurance business relationship with a producer shall notify the
15 commissioner within thirty days following the effective date of
16 the termination, using the applicable format prescribed by the
17 commissioner. An insurer[~~7~~,~~an~~] or its authorized representative
18 [~~of the insurer, or a producer who~~] that terminates a producer
19 for one of the reasons set forth in section 431:9A-112, or [~~who~~]
20 that has knowledge the producer was found by a court,
21 governmental body, or self-regulatory organization to have



1 engaged in any of the activities in section 431:9A-112, shall
2 use the particular format for that situation as prescribed by
3 the commissioner. Upon the written request of the commissioner,
4 the insurer shall provide additional information, documents,
5 records, or other data pertaining to the termination or activity
6 of the producer.

7 (b) The insurer~~[, an]~~ or its authorized representative [~~of~~
8 ~~the insurer, or a producer]~~ shall promptly notify the
9 commissioner in a format acceptable to the commissioner if, upon
10 further review or investigation, the insurer~~[, an]~~ or its
11 authorized representative [~~of the insurer, or a producer]~~
12 discovers additional information that would have been reportable
13 to the commissioner in accordance with subsection (a), had the
14 insurer~~[,]~~ or its authorized representative [~~of the insurer, or~~
15 ~~producer then]~~ known of its existence.

16 (c) The insurer~~[,]~~ and its authorized representative [~~of~~
17 ~~the insurer, and the producer]~~ are subject to the following:

18 (1) Within fifteen days after making the notification
19 required by subsections (a) and (b), the insurer~~[,]~~ or
20 its authorized representative [~~of the insurer, or the~~
21 ~~producer]~~ shall mail a copy of the notification to the



1 producer at the producer's last known address. If the
2 producer is terminated for any of the causes listed in
3 section 431:9A-112, the insurer~~[7]~~ or its authorized
4 representative [~~of the insurer, or the producer~~] shall
5 provide a copy of the notification to the producer at
6 the producer's last known address by certified mail,
7 return receipt requested, postage prepaid or by
8 overnight delivery using a nationally recognized
9 carrier.

- 10 (2) Within thirty days after the producer has received the
11 original or additional notification, the producer may
12 file written comments concerning the substance of the
13 notification with the commissioner. The producer, by
14 the same means, shall simultaneously send a copy of
15 the comments to the reporting insurer~~[7]~~ or its
16 authorized representative [~~of the insurer, or the~~
17 ~~producer~~], and the comments shall become [a] part of
18 the commissioner's file and shall accompany every copy
19 of a report distributed or disclosed for any reason
20 about the producer as permitted under subsection
21 [~~(e)~~] (f).



1 (d) The producer initiating the termination shall be
2 subject to the following:

3 (1) Within fifteen days after making the notification
4 required by subsection (a), the producer shall mail a
5 copy of the notification to the insurer at the
6 insurer's last known address; and

7 (2) Within thirty days after the insurer has received the
8 original or additional notification, the insurer may
9 file written comments concerning the substance of the
10 notification with the commissioner. The insurer, by
11 the same means, shall simultaneously send a copy of
12 the comments to the producer, and the comments shall
13 become part of the commissioner's file and shall
14 accompany every copy of a report distributed or
15 disclosed for any reason about the insurer as
16 permitted under subsection (f).

17 [~~(d)~~] (e) Immunity from civil liability for notification
18 applies as follows:

19 (1) In the absence of actual malice, an insurer, the
20 insurer's authorized representative, a producer, the
21 commissioner, or an organization of which the



1 commissioner is a member and that compiles the
 2 information and makes it available to other
 3 commissioners or regulatory or law enforcement
 4 agencies shall not be subject to civil liability[~~7~~and
 5 a]. A civil cause of action of any nature shall not
 6 arise against these entities or their respective
 7 agents or employees[~~7~~] as a result of [~~any~~]:

8 (A) Any statement or information required by or
 9 provided pursuant to this section [~~or any~~];

10 (B) Any information relating to any statement that
 11 may be requested in writing by the
 12 commissioner[~~7~~] from an insurer or producer; or
 13 [~~a~~]

14 (C) A statement by a terminating insurer or producer
 15 to an insurer or producer limited solely [~~and~~
 16 ~~exclusively~~] to whether a termination under
 17 subsection (a) was reported to the commissioner,
 18 provided that the propriety of any termination
 19 under subsection (a) is certified in writing by
 20 an officer or authorized representative of the
 21 insurer or producer terminating the relationship.



1 (2) In any action brought against a person that may have
2 immunity under paragraph (1) for making any statement
3 required by this section or for providing any
4 information relating to any statement that may be
5 requested by the commissioner, the party bringing the
6 action shall plead specifically in any allegation that
7 paragraph (1) does not apply because the person making
8 the statement or providing the information did so with
9 actual malice.

10 (3) [~~Paragraphs~~] Paragraph (1) or (2) shall not abrogate
11 or modify any existing statutory or common law
12 privileges or immunities.

13 [~~(e)~~] (f) Confidentiality and privilege from disclosure
14 [~~is~~] are established as follows:

15 (1) Any documents, materials, or other information in the
16 control or possession of the commissioner or [~~any~~] the
17 commissioner's agent [~~of the commissioner~~] that is
18 furnished by an insurer, a producer, or an employee or
19 agent [~~thereof who is~~] acting on behalf of the insurer
20 or producer, or is obtained by the commissioner, [~~any~~]
21 the commissioner's agent [~~of the commissioner~~], the



1 insurance division, or any employee of the insurance
2 division, in an investigation pursuant to this section
3 shall be confidential and privileged, shall not be
4 subject to chapter 92F, [~~shall not be subject to~~]
5 subpoena, [~~shall not be subject to~~] or discovery, and
6 shall not be admissible in evidence in any civil
7 action; provided that the commissioner or the
8 commissioner's designee is authorized to use the
9 documents, materials, or other information in the
10 furtherance of any regulatory or legal action brought
11 as a part of the commissioner's duties.

12 (2) Neither the commissioner nor any person who received
13 documents, materials, or other information while
14 acting under the authority of the commissioner shall
15 be required to testify in any civil action concerning
16 any confidential documents, materials, or information
17 subject to paragraph (1).

18 (3) Any provision to the contrary notwithstanding, the
19 commissioner may:

20 (A) Share documents, materials, or other information,
21 including the confidential and privileged



1 documents, materials, or information subject to
2 paragraph (1), with other state, federal, and
3 international regulatory and law enforcement
4 agencies and authorities, the National
5 Association of Insurance Commissioners, and their
6 affiliates or subsidiaries; provided that the
7 recipient agrees to maintain the confidentiality
8 and privileged status of the document, material,
9 or other information;

10 (B) Receive documents, materials, or information,
11 including otherwise confidential and privileged
12 documents, materials, or information, from the
13 National Association of Insurance Commissioners,
14 its affiliates or subsidiaries, and ~~from~~ state,
15 federal, and international regulatory and law
16 enforcement agencies and authorities and shall
17 maintain as confidential or privileged any
18 document, material, or information received with
19 the notice or ~~the~~ understanding that it is
20 confidential or privileged under the laws of the



1 jurisdiction that is the source of the document,
2 material, or information; and

3 (C) Enter into agreements governing sharing and use
4 of information consistent with this subsection.

5 (4) No waiver of any applicable privilege or claim of
6 confidentiality in the documents, materials, or
7 information shall occur as a result of disclosure to
8 the commissioner under this section or ~~[as a result~~
9 ~~of]~~ sharing, receiving, or using the information as
10 authorized in paragraph (3).

11 (5) Nothing in this article shall prohibit the
12 commissioner from releasing final~~[7]~~ adjudicated
13 actions, including terminations that are open to
14 public inspection pursuant to section 431:2-209 to a
15 database or other clearinghouse service maintained by
16 the National Association of Insurance Commissioners or
17 its affiliates or subsidiaries.

18 ~~[(f)]~~ (g) An insurer, ~~[the]~~ its authorized representative
19 ~~[of the insurer]~~, or a producer who fails to report as required
20 ~~[under the provisions of]~~ by this section or who is found to
21 have reported with actual malice by a court of competent



1 jurisdiction may, after notice and hearing, have its license or
2 certificate of authority suspended or revoked and may be fined
3 in accordance with article 2."

4 SECTION 10. Section 431:15-201, Hawaii Revised Statutes,
5 is amended to read as follows:

6 "**§431:15-201 Commissioner's summary orders and supervision**
7 **proceedings.** (a) If, upon examination or at any other time,
8 the commissioner finds that any domestic insurer requires
9 supervision because it is in [~~such~~] a condition [~~as to~~] that
10 would render the continuance of its business hazardous to the
11 public or to holders of its policies or certificates of
12 insurance, or if the domestic insurer gives its consent, then
13 the commissioner shall issue a supervision order and shall:

14 (1) Notify the insurer of the commissioner's order; and
15 (2) Furnish to the insurer a written list of the
16 commissioner's requirements to abate the
17 commissioner's order. The commissioner shall also
18 proceed, if necessary, against the insurer pursuant to
19 section 431:2-203.

20 (b) During the period of supervision, the commissioner may
21 appoint a supervisor to supervise the insurer[-], and the



1 commissioner may employ counsel, clerks, and assistants as
2 necessary. The supervisor shall have all the powers and
3 responsibilities granted under this section. Any persons
4 appointed under this section shall serve at the pleasure of the
5 commissioner.

6 (c) The compensation of the supervisor, counsel, clerks,
7 and assistants and all expenses of the supervision shall be
8 approved by the commissioner and paid out of the funds or assets
9 of the insurer upon presentation of a detailed account of the
10 expenses filed by the supervisor or other persons employed or
11 appointed by the commissioner. The commissioner may in whole or
12 in part defer payment of expenses due from the insurer pursuant
13 to this section upon a showing that payment would adversely
14 impact the financial condition of the insurer and jeopardize its
15 recovery during supervision. Deferred payments shall be made by
16 the insurer when payment no longer adversely impacts its
17 financial condition.

18 (d) The order appointing a supervisor shall direct the
19 supervisor to enforce orders issued under subsection (a) and
20 [also] may [~~require that~~] prohibit the insurer [~~shall not do~~]
21 from doing any of the following [~~things~~] during the period of



1 supervision without [~~the~~] prior written approval of the
2 commissioner or [~~the~~] supervisor:

3 (1) Dispose of, convey, or encumber any of its assets or
4 [~~its~~] business in force;

5 (2) Withdraw from any of its bank accounts;

6 (3) Lend any of its funds;

7 (4) Invest any of its funds;

8 (5) Transfer any of its property;

9 (6) Incur any debt, obligation, or liability;

10 (7) Merge or consolidate with another company;

11 (8) Enter into any new reinsurance contract or treaty; or

12 (9) Write any new or renewal business.

13 [~~e~~] (e) Any insurer subject to an order under this
14 section shall comply with the requirements of the commissioner
15 within sixty days from the date the supervision order is served.

16 If the insurer fails to comply within the time specified, the
17 commissioner may institute proceedings under section 431:15-301

18 or section 431:15-306 to have a rehabilitator or liquidator

19 appointed[~~7~~] or seek to enforce the order pursuant to section

20 431:2-203.



1 ~~[(d)]~~ (f) Any insurer subject to an order under this
2 section may request a hearing to review the order. The hearing
3 shall be held as provided in chapter 91, but the request for a
4 hearing shall not stay the effect of the order. The insurer, at
5 any time, may waive said hearing and apply for immediate
6 judicial relief by means of any remedy afforded by law without
7 first exhausting administrative remedies.

8 ~~[(e)]~~ (g) During the period of supervision, the insurer
9 may request that the commissioner ~~[tø]~~ review an action taken or
10 proposed to be taken by the supervisor~~[, specifying where the~~
11 ~~action complained of is believed not to be]~~ that the insurer
12 believes is not in the best interest of the insurer.

13 ~~[(f)]~~ (h) If any person has violated any supervision order
14 issued under this section ~~[which as to the person was then still~~
15 ~~in effect]~~, the person shall pay a penalty imposed by the
16 circuit court of the first judicial circuit of this State, which
17 shall not ~~[tø]~~ exceed \$10,000 for each violation.

18 ~~[(g)]~~ (i) The commissioner may apply for, and the court
19 may grant, ~~[such]~~ restraining orders, preliminary ~~[and]~~ or
20 permanent injunctions, ~~[and]~~ or other orders ~~[as may be deemed~~
21 ~~necessary and proper]~~ to enforce a supervision order.



1 [~~(h)~~] (j) If any person:

2 (1) With authority over or in charge of any segment of the

3 insurer's affairs; or

4 (2) Who exercises control directly or indirectly over

5 activities of the insurer through any holding company

6 or other affiliate of the insurer;

7 knowingly violates any valid order of the commissioner issued

8 under this section and, as a result of the violation, the net

9 worth of the insurer is reduced or the insurer suffers loss it

10 would not otherwise have suffered, the person shall become

11 personally liable to the insurer for the amount of the reduction

12 or loss. The commissioner or supervisor may bring an action on

13 behalf of the insurer in the circuit court of the first judicial

14 circuit of this State to recover the amount of the reduction or

15 loss together with any costs."

16 SECTION 11. Statutory material to be repealed is bracketed

17 and stricken. New statutory material is underscored.

18 SECTION 12. This Act shall take on July 1, 2112; provided

19 that sections 7, 8, and 9 shall take effect on January 1, 2019.



Report Title:

Insurance Fraud Violations; Insurer; Certificate of Authority; Uniform Certificate of Authority Application; Fees; Motor Vehicle Self-Insurance; Declaration by the Commissioner; Nonresident Adjusters; Insurance Producer License; Producer Licensing Model Act; Appointments; Notification of Termination; Motor Vehicle Insurance; Third-Party Claimant; General Excise Tax; Certificate of Ownership Fee; Supervision of Insurers

Description:

Updates Hawaii Revised Statutes title 24 by: changing the dollar amount of the benefits, recovery, or compensation obtained or attempted to be obtained for a class C felony, and misdemeanor; requiring insurers seeking a certificate of authority to submit a Uniform Certificate of Authority Application to the Insurance Division and to clarify that the insurer's name must comply with sections 431:3-202(b) and 431:4-104(d)(1); including application and service fees charged to motor vehicle self-insurers; allowing the Insurance Commissioner to issue a declaration before an event that may require the use of nonresident adjusters; complying with the National Association of Insurance Commissioners' Producer Licensing Model Act; allowing third-party claimants to claim the general excise tax and certificate of ownership fee in total loss claims; requiring that certain costs and expenses incurred by the Insurance Commissioner during supervisory proceedings be paid or reimbursed by the assets of the insurer; and making technical, nonsubstantive amendments for clarity and consistency. (HB1087 HD1)

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

