
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 article 10E to be
3 appropriately designated and to read as follows:

4 "§431:10E- Payment of proceeds involving mortgaged
5 property. (a) When a homeowners insurance policy that covers a
6 mortgaged property allows for the payment of proceeds by issuing
7 a check, the insured may authorize the insurer in writing to
8 electronically remit the proceeds to the insured's mortgagee
9 made payable only to the mortgagee.

10 (b) A mortgagee in receipt of electronic delivery of claim
11 proceeds pursuant to subsection (a) shall deliver the proceeds
12 of the claim to the insured in accordance with the mortgage
13 agreement and the insurance policy.

14 (c) For the purposes of this section:

15 "Check" has the same meaning as defined in section
16 490:3-104.



1 "Electronic delivery" means the transfer or delivery of an
2 insured's claim proceeds pursuant to this section by electronic
3 methods which may include but is not limited to a verified email
4 address, an electronic terminal, posting to an electronic site
5 or network, or by other methods as may be defined by an
6 insured's insurance policy.

7 "Mortgage agreement" means the note or debt instrument and
8 the mortgage instrument, deed of trust instrument, trust deed,
9 or instrument or instruments creating the mortgage, including
10 any instrument incorporated by reference therein and any
11 instrument or agreement amending or modifying any of the
12 foregoing."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Property Insurance; Claims; Payment; Mortgaged Property;
Electronic Delivery

Description:

Allows an insured to authorize the insurer to electronically remit claim proceeds to the insured's mortgagee when a homeowners insurance policy that covers a mortgaged property allows for the payment of proceeds by issuing a check. Requires a mortgagee in receipt of electronic delivery of claim proceeds to deliver the proceeds of the claim to the insured in accordance with the mortgage agreement and the insurance policy. Effective 7/1/2050. (SD2)

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

