
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 14 to be appropriately designated and to read as follows:

"§431:14- Exception for condominium master insurance or condominium master hurricane insurance. (a) Notwithstanding any provision of this article to the contrary, in the event that an existing condominium master insurance policy or condominium master hurricane insurance policy procured by a condominium association or its board of directors, whether wholly or partially, is issued by a surplus lines insurer, an admitted insurer may offer such policies at an amount of no more than fifty per cent of the amount charged by the surplus lines insurer; provided that:

(1) The condominium association has been covered by a condominium master insurance policy or condominium master hurricane insurance policy, whether wholly or



1 partially, issued by a surplus lines insurer for no
2 less than the preceding three years;

3 (2) The admitted insurer shall not charge the condominium
4 association the amount authorized under this section
5 for longer than six years; and

6 (3) The admitted insurer may require the condominium
7 association to deposit a specific amount in the
8 association's replacement reserves fund or to make
9 certain maintenance and repairs.

10 (b) As used in this section, "condominium association" has
11 the same meaning as association as defined in section 514B-3."

12 SECTION 2. New statutory material is underscored.

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



Report Title:

Insurance; Condominiums; Rates; Surplus Lines Insurance;
Admitted Insurers

Description:

Allows authorized insurers in the State to offer building and hurricane damage insurance for condominium buildings at a lesser rate than the building's prior surplus lines insurance policy for the same coverage. Effective 7/1/2050. (SD1)

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