

ACT 126

H.B. NO. 619

A Bill for an Act Relating to Insurance.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 431-581, Hawaii Revised Statutes, is amended to

read as follows:

"Sec. 431-581 Credit union groups. The lives of the members of a credit union may be insured under a policy issued to the credit union, which shall be deemed the policyholder, to insure members of the credit union for the benefit of persons other than the credit union or any of its officials, subject to the following requirements:

- (1) The credit union must have been formed for purposes other than obtaining insurance.
- (2) The members eligible for insurance under the policy shall be all of the members of the credit union, except any as to whom evidence of individual insurability is not satisfactory to the insurer, and the amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the credit union. No policy may be issued which provides term insurance on any member which together with any other term insurance under any group life insurance policy or policies issued to the credit union under this section exceeds \$4,000.
- (3) The premiums for the policy shall be paid by the policyholder either from the credit union's own funds or from charges collected from the insured members specifically for the insurance, or from both; provided that when the premium is paid by the members, or by the credit union and its members jointly, at least seventy-five per cent of the then eligible members, excluding any as to whom evidence of insurability is not satisfactory to the insurer, must elect to make the required contributions.
- (4) As used herein a "credit union" means a credit union chartered under the provisions of the Federal Credit Union Act or the Hawaii Credit Union Act, chapter 410."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

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

(Approved May 31, 1977.)

*Edited accordingly.