

A Bill for an Act Relating to Insurance.

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

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

“Sec. 431H-1 Disclosure of information; when allowed. No corporation, copartnership, association, individual, or group of individuals, which has made a loan in connection with which insurance is required to be carried by the borrower, shall disclose any information contained in or relating to the required insurance policy to third parties, unless the disclosure is:

- (1) Consented to by the borrower in writing in a separate document after the loan has been granted;
- (2) Expressly authorized by state or federal law;
- (3) An ordinary and necessary part of the process of effectuating and servicing the loan agreement;
- (4) Pursuant to court order;
- (5) Made to the borrower’s insurance company, agent, or solicitor;
- (6) Made necessary by the borrower’s failure to maintain or renew insurance pursuant to the terms of a loan or similar agreement; or
- (7) Made to a person for the purpose of monitoring the borrower’s maintenance of the insurance required pursuant to the terms of a loan or similar agreement.”

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

“Sec. 431H-2 Receipt of information; use; when allowed. No person shall receive or use for any purpose information contained in or relating to a required insurance policy from any corporation, copartnership, association, individual, or group of individuals, which has made a loan in connection with which insurance is required to be carried by the borrower, unless such receipt and use is:

- (1) Consented to by the borrower in writing in a separate document after the loan has been granted;
- (2) Expressly authorized by state or federal law;
- (3) An ordinary and necessary part of the process of effectuating and servicing the loan agreement;
- (4) Pursuant to court order;
- (5) By the borrower, the borrower’s insurance company, agent, or solicitor, in connection with the policy; or
- (6) By a person for the purpose of monitoring the borrower’s maintenance of the insurance required pursuant to the terms of a loan or similar agreement.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 12, 1979.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.