

ACT 2

S.B. NO. S1-86

A Bill for an Act Relating to Liability.

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

**SECTION 1. Legislative findings and purpose.** The legislature finds and declares that a solution to the current crisis in liability insurance has created an overpowering public necessity for a comprehensive combination of reforms to both the tort system and the insurance regulatory system. It is the intent of this Act to alleviate the seriousness of the current insurance crisis and to prevent the reoccurrence of such a crisis. The purpose of this Act is to ensure the widest possible availability of liability insurance at reasonable rates, to ensure a stable market for liability insurers, and to provide for means to adjust insurance premium rates in the context of

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anticipated cost savings from tort reform legislation affecting the affordability and availability of liability insurance.

**SECTION 2. Definitions.** As used in sections 3 to 7 of this Act, unless the context otherwise requires:

1. "Authorized insurer" means insurers licensed to do business in the State.
2. "Commercial liability insurance" means insurance written for businesses providing protection for an insured against loss arising from injuries to other persons or damage to their property. It includes but is not limited to policies providing coverage for errors and omissions, and professional malpractice.
3. "Rebate" means an amount refunded to a policyholder by an insurer to reflect a return of excess premiums with interest.
4. "Surcharge" means an amount assessed by an insurer against a policyholder over and above manual rates.

**SECTION 3. Rate reduction; relief.** (a) The insurance commissioner shall effect a moratorium and not approve any rate level increase in commercial liability insurance during the period August 1, 1986 to September 30, 1986. Commencing October 1, 1986, all authorized insurers transacting commercial liability insurance in this State shall implement a ten per cent rate reduction from the rates currently on file with the insurance commissioner for all policies containing commercial liability coverage, except motor vehicle and medical malpractice policies, in effect on September 30, 1986, for each new and renewal policy and provide that the new rates will be in effect and filed during the period October 1, 1986 to September 30, 1987. There shall be no exception to the requirements of this subsection, unless the commissioner, pursuant to an insurer's petition, shall find that the use of the rates required herein by an insurer will be inadequate to the extent that such rates jeopardize the solvency of the insurer required to use such rates.

(b) Commencing on October 1, 1987, all authorized insurers providing commercial liability insurance in this State shall implement a twelve per cent rate reduction for all policies containing commercial liability coverage, except motor vehicle policies, from the rates in effect on September 30, 1987, for each new and renewal policy, and provide that the new rates will be in effect and filed during the period October 1, 1987 to September 30, 1988.

(c) Commencing on October 1, 1988, all authorized insurers providing commercial liability insurance in this State shall implement a fifteen per cent rate reduction for all policies containing commercial liability coverage, except motor vehicle policies, from the rates in effect on September 30, 1988, for each new and renewal policy, and provide that the new rates will be in effect and filed during the period October 1, 1988 to September 30, 1989.

(d) Except as otherwise provided in this Act, all rates for commercial liability insurance shall comply with the provisions of the casualty rating law contained in chapter 431, Hawaii Revised Statutes. Any insurer which contends that the rate provided for in subsection (b) or (c) is inadequate shall state in its filing the rate it contends is appropriate and shall state with specificity the factors or data which it contends should be considered in order to produce such appropriate rate. The insurer shall be permitted to use all of the generally accepted actuarial techniques in making any filing pursuant to this subsection. It shall be the insurer's or rating organization's burden to actuarially justify any rate increase from the reduced rates provided for in subsection (b) or (c). The insurer or rating organization shall include in the filing the expected impact of the tort reform implemented by

Sections 11 to 22 of this Act on losses, expenses and rates. In making this filing as provided for by this subsection, the insurer or rating organization shall comply with the following provisions:

- (1) Any rate filing contending that the rates established in subsections (b) or (c) is inadequate shall be filed ninety days prior to October 1, 1987 or October 1, 1988.
- (2) The insurance commissioner shall review and approve or disapprove the rate filing thirty days prior to October 1, 1987 or with respect to filings submitted pursuant to subsection (c) thirty days prior to October 1, 1988. A filing shall be deemed to meet the requirements of the casualty rating law unless disapproved by the commissioner within the 60-day waiting period. All filings submitted under this Act shall be deemed public records.
- (3) In the event the filing is approved under subsection (d)(2), a contested case hearing in accordance with the provisions of chapter 91, Hawaii Revised Statutes, may be convened. Notwithstanding the provisions of section 431-61, Hawaii Revised Statutes, a petition and demand for hearing shall not stay the implementation of the rate approved by the commissioner or the rates in effect as of September 30, 1986, whichever is higher. A final order of the commissioner may be appealed in accordance with the provisions of section 431-69, Hawaii Revised Statutes.
- (4) In the event a filing is disapproved in whole or in part, a petition and demand for a contested case hearing may be filed in accordance with chapter 91, Hawaii Revised Statutes. The insurer or rating organization shall have the burden of proving that the disapproval is not justified. While the action of the commissioner in disapproving the rate filing is being challenged, the aggrieved insurer shall be entitled to charge the rates established as of September 30, 1986 or the filed rates, whichever is lower.
- (5) With respect to any approval or disapproval by the commissioner regarding any rate filing focusing upon the October 1, 1988 reduction, the aggrieved insurer shall be entitled to charge the rates established as of September 30, 1988 while the action of the commissioner is being challenged and contested.
- (6) Upon final disposition, pursuant to chapter 91, Hawaii Revised Statutes, or by a court of competent jurisdiction of the insurance commissioner's approval or disapproval of the rates, the insurance commissioner shall immediately determine and order that the insurer make the appropriate rebates of premiums to policyholders or allow the insurer to exact a surcharge on premiums.
- (e) The insurance commissioner shall publish a notice of every filing submitted by insurers pursuant to this section in a newspaper of general circulation in the State.

**SECTION 4. Excessive rates; rebate or credit.** In reviewing the information gathered from the closed case reports provided for under Section 26 of this Act, and from any other relevant information, if there is reason to believe that the rates are excessive, the insurance commissioner shall request a hearing to determine the adequate rate. If as a result of the hearing it is determined that insurers are charging excessive rates, the insurance commissioner shall issue an order specifying that a new rate or schedule be filed by the insurer or rating organization which responds to the findings made through the hearing. The insurance commissioner shall further order that premiums charged each policyholder constituting the portion of the rate

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above that which is actuarially justified be returned to such policyholder in the form of a rebate or credit.

**SECTION 5. Cancellation of policy; prohibition.** No policies to which the reductions on insurance rate apply shall be canceled by the insurer prior to the expiration of the agreed term or one year from the effective date of the policy or renewal, whichever is less, except under the following grounds:

- (1) Failure to pay a premium when due;
- (2) Fraud or material misrepresentation;
- (3) Risk hazard increases substantially and the insurer could not have reasonably foreseen the change when entering into the contract;
- (4) Substantial breaches of contractual duties, conditions, or warranties;
- (5) Violation of any local fire, health, or safety statute or ordinance;
- (6) Conviction of the named insured for a crime having as one of its necessary elements, an act increasing any hazard that is insured against;
- (7) The insurance commissioner determines that the continuation of the policy places the insurer in violation of chapter 431, Hawaii Revised Statutes;
- (8) For any good faith reason with the approval of the insurance commissioner.

**SECTION 6. Cancellation of policies; effective date.** In the event there is cancellation pursuant to sections 5 and 7 of this Act, such cancellation will be effective thirty days after the insurer delivers written notice of the cancellation to the policyholder.

**SECTION 7. Nonrenewal of policies; notice.** An insurer may refuse to renew a commercial liability policy if notice to the policyholder of the reasons for nonrenewal are provided to the insured forty-five days prior to the intended nonrenewal date. A commercial liability insurance policy, once issued shall not be cancelled or refused renewal by an insurer based upon the mandatory rate reductions as required by this Act.

**SECTION 8.** Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§431- Insurance contracts; punitive damages.** Coverage under any policy of insurance issued in this State shall not be construed to provide coverage for punitive or exemplary damages unless specifically included.”

**SECTION 9.** Section 431D-8, Hawaii Revised Statutes, is amended as follows:

**“[[§431D-8]] Powers and duties of association.** (a) The association shall:

- (1) Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty days after the determination of insolvency, or before the policy expiration date if less than thirty days after the determination, or before the insured replaces the policy or causes its cancellation, if the insured does so within thirty days of the determination, but such obligation shall include only that amount of each covered claim which is in excess of \$100 and is less than \$300,000, except that the association shall pay the full amount of any covered claim arising out of a workers' compensation policy.

In no event shall the association be obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises.

- (2) Be deemed the insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent.
  - (3) Assess insurers amounts necessary to pay the obligations of the association under subsection (a)(1) subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency, and the cost of examinations under section 431D-13, and other expenses authorized by this chapter. The assessments of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the preceding calendar year bears to the net direct written premiums of all member insurers for the preceding calendar year. Each member insurer shall be notified of the assessment not later than thirty days before it is due. No member insurer may be assessed in any year an amount greater than two per cent of that member insurer's net direct written premiums for the preceding calendar year. If the maximum assessment, together with the other assets of the association, does not provide in any one year an amount sufficient to make all necessary payments, the funds available shall be prorated and the unpaid portion shall be paid as soon thereafter as funds become available. The association may exempt or defer, in whole or part, the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. Each member insurer may set off against any assessment authorized payments made on covered claims and expenses incurred in the payment of such claims by the member insurer.
  - (4) Investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligation and deny all other claims and may review settlements, releases, and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which such settlements, releases, and judgments may be properly contested.
  - (5) Notify such persons as the insurance<sup>1</sup> commissioner directs under section 431D-10(b)(1).
  - (6) Handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the insurance<sup>1</sup> commissioner, but such designation may be declined by a member insurer.
  - (7) Reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association and shall pay the other expenses of the association authorized by this chapter.
- (b) The association may:
- (1) Employ or retain such persons as are necessary to handle claims and perform other duties of the association.

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- (2) Borrow funds necessary to effect the purposes of this chapter in accord with the plan of operation.
- (3) Sue or be sued.
- (4) Negotiate and become a party to such contracts as are necessary to carry out the purpose of this chapter.
- (5) Perform such other acts as are necessary or proper to effectuate the purpose of this chapter.
- [(6) Refund to the member insurers in proportion to the contribution of each member insurer to the association that amount by which the assets of the association exceed the liabilities, if, at the end of any calendar year, the board of directors finds that the assets of the association exceed the liabilities of the association as estimated by the board of directors for the coming year.]”

SECTION 10. Section 431D-16, Hawaii Revised Statutes, is amended as follows:

**“§431D-16 [Recognition of assessment in rates.** The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association and rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.] **Recoupment of assessment.** (a) Each member insurer is required to recoup the assessments paid in the preceding year by the insurer under this chapter. The recoupment shall be recovered by means of a surcharge on premiums charged for policies for all kinds of insurance, except life, title, surety, disability, credit mortgage guaranty and ocean marine. The surcharge shall be at a uniform percentage rate reasonably calculated to recoup the assessment paid by the member insurer. Any excess recovery by a member insurer shall be credited prorata to that member insurer’s policyholders’ premiums in the succeeding year unless there has been a subsequent assessment, in which case the excess will be used to reduce the amount of the subsequent assessment. If a member insurer fails to recoup the entire amount of its assessment in the first year under the procedure provided in this section in the first year in which it surcharges premiums, it may repeat the procedure provided in this section in the succeeding year.

(b) Each insurer shall provide to the Hawaii Insurance Guarantee Association an accounting of its recoupments. The Hawaii Insurance Guarantee Association shall compile the insurers’ accountings and submit it as part of its annual report to the insurance commissioner.

(c) The amount and reason of any surcharge shall be separately stated on any billing sent an insured. The surcharge shall not be considered premiums for any other purpose, including the computation of gross premium tax or the determination of agents’ commissions.

(d) The insurance commissioner may permit a member insurer to omit collection of the surcharge from its insureds when the expense of collecting the surcharge would exceed the amount of the surcharge.

(e) The member insurers shall recoup any assessments paid after the effective date of this Act in the manner provided in this section.”

SECTION 11. Chapter 607, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§607- Attorneys’ fees in tort actions.** In all tort actions in which a judgment is entered by a court of competent jurisdiction, attorneys’ fees for both the plaintiff and the defendant shall be limited to a reasonable amount

as approved by the court having jurisdiction of the action. In any tort action in which a settlement is effected, the plaintiff or the defendant may request that the amount of their respective attorneys' fees be subject to approval of the court having jurisdiction of the action."

SECTION 12. Section 671-2, Hawaii Revised Statutes, is repealed.

SECTION 13. Section 607-14.5, Hawaii Revised Statutes, is amended to read as follows:

**"[§607-14.5] Attorneys' fees in civil actions.** (a) In any civil action in this State where a party seeks money[,] damages or injunctive relief, or both, against another party, and the case is subsequently decided; the court may, as it deems just, assess against either party, and enter as part of its order, for which execution may issue, a reasonable sum for attorneys' fees, in an amount to be determined by the court upon a specific finding that the party's claim or defense was [completely] frivolous; provided the amount shall not exceed twenty-five per cent of any amount originally prayed for by the party assessed.

(b) In determining the award of attorneys' fees and the amounts to be awarded, the court must find in writing that all claims or defenses made by the party are [completely] frivolous and are [totally unsupported] not reasonably supported by the facts and the law in the civil action."

SECTION 14. Chapter 657, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§657- Periodic payments of damages.** In any action in tort involving the State, any political subdivision of the State, or any governmental agency as a tortfeasor where a final judgment is obtained of more than \$1,000,000, the State, political subdivision, or governmental agency has the option of paying that portion of the award in excess of \$1,000,000 by periodic payments for a period not to exceed five years. The periodic payments shall include interest on the unpaid balance at the rate specified in section 478-2. A proposed periodic payment plan shall be submitted by the State, political subdivision, or governmental agency to the court in a post judgment hearing for final approval. The court shall approve or order modification of the plan based upon the facts and circumstances of the case and the needs of the parties."

SECTION 15. Section 657-7.3, Hawaii Revised Statutes, is amended to read as follows:

**"§657-7.3 Medical torts; limitation of actions; time.** No action for injury or death against a chiropractor, clinical laboratory technologist or technician, dentist, naturopath, nurse, nursing home administrator, dispensing optician, optometrist, osteopath, physician or surgeon, physical therapist, podiatrist, psychologist, or veterinarian duly licensed or registered under the laws of the State, or a licensed hospital as the employer of any such person, based upon such person's alleged professional negligence, or for rendering professional services without consent, or for error or omission in such person's practice, shall be brought more than two years after the plaintiff discovers, or through the use of reasonable diligence should have discovered, the injury, but in any event not more than six years after the date of the alleged act or omission causing the injury or death. This six year time limitation shall be tolled for any period during which the person has failed to disclose any act, error, or omission upon which the action is based and which is known to him.

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Actions by a minor shall be commenced within six years from the date of the alleged wrongful act except the actions by a minor under the age of ten years shall be commenced within six years or by the minor's tenth birthday, whichever provides a longer period. Such time limitation shall be tolled for any minor for any period during which the parent, guardian, insurer, or health care provider has committed fraud or gross negligence, or has been a party to a collusion in the failure to bring action on behalf of the injured minor for a medical tort. The time limitation shall also be tolled for any period during which the minor's injury or illness alleged to have arisen, in whole or in part, from the alleged wrongful act or omission could not have been discovered through the use of reasonable diligence."

SECTION 16. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§663- Collateral sources; protection for liens and rights of subrogation.** In any civil action in tort, the court, before any judgment or stipulation to dismiss the action is approved, shall determine the validity of any claim of a lien against the amount of the judgment or settlement by any person who files timely notice of the claim to the court or to the parties in the action. The judgment entered, or the order subsequent to settlement, shall include a statement of the amounts, if any, due and owing to any person determined by the court to be a holder of a valid lien and to be paid to the lienholder out of the amount of the corresponding special damages recovered by the judgment or settlement. In determining the payment due the lienholder, the court shall deduct from the payment a reasonable sum for the costs and fees incurred by the party who brought the civil action in tort. As used in this section, lien means a lien arising out of a claim for payments made or indemnified from collateral sources for costs and expenses arising out of the injury which is the subject of the civil action in tort."

SECTION 17. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§663- Abolition of joint and several liability; exceptions.** Joint and several liability for joint tortfeasors as defined in section 663-11 is abolished except in the following circumstances:

- (1) For the recovery of economic damages against joint tortfeasors in actions involving injury or death to persons;
- (2) For the recovery of economic and non-economic damages against joint tortfeasors in actions involving:
  - (A) Intentional torts;
  - (B) Torts relating to environmental pollution;
  - (C) Toxic and asbestos-related torts;
  - (D) Torts relating to aircraft accidents;
  - (E) Strict and products liability torts; or
  - (F) Torts relating to motor vehicle accidents except as provided in paragraph (4).
- (3) For the recovery of non-economic damages in actions, other than those enumerated in paragraph (2), involving injury or death to persons against those tortfeasors whose individual degree of negligence is found to be twenty-five per cent or more under section 663-31. Where a tortfeasor's degree of negligence is less than twenty-five per cent, then the amount recoverable against that tortfeasor for non-economic damages shall be in direct proportion to the degree of negligence assigned.



- (4) For recovery of non-economic damages in motor vehicle accidents involving tort actions relating to the maintenance and design of highways including actions involving guardrails, utility poles, street and directional signs, and any other highway-related device upon a showing that the affected joint tortfeasor was given reasonable prior notice of a prior occurrence under similar circumstances to the occurrence upon which the tort claim is based. In actions in which the affected joint tortfeasor has not been shown to have had such reasonable prior notice, the recovery of non-economic damages shall be as provided in paragraph (3).”

SECTION 18. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§663- **Loss or impairment of earning capacity; damages.** (a) In all tort cases where damages are awarded for loss or impairment of earning capacity, the amount of probable future earnings shall be determined by taking into account the effect of probable taxes.

(b) Nothing in this section shall be construed to limit or restrict the use of other factors deemed appropriate by a court in calculating damages awarded for loss or impairment of earning capacity.”

SECTION 19. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§663- **Non-economic damages; defined.** (a) Non-economic damages which are recoverable in tort actions include damages for pain and suffering, mental anguish, disfigurement, loss of enjoyment of life, loss of consortium, and all other non-pecuniary losses or claims.

(b) Pain and suffering is one type of non-economic damage and means the actual physical pain and suffering that is the proximate result of a physical injury sustained by a person.”

SECTION 20. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§663- **Limitation on pain and suffering.** Damages recoverable for pain and suffering as defined in section 663- shall be limited to a maximum award of \$375,000; provided that this limitation shall not apply to tort actions enumerated in section 663- (2).”

SECTION 21. Chapter 601, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§601- **Court annexed arbitration program.** (a) There is established within the judiciary a court annexed arbitration program which shall be a mandatory and non-binding arbitration program to provide for a procedure to obtain prompt and equitable resolution of certain civil actions in tort through arbitration. The supreme court shall adopt rules for the implementation and administration of the program by January 1, 1987.

(b) All civil actions in tort, having a probable jury award value, not reduced by the issue of liability, exclusive of interest and costs, of \$150,000 or less, shall be submitted to the program and be subject to determination of arbitrability and to arbitration under the rules governing the program. The rules shall include a procedure to classify and establish the order of priority according to which the actions will be processed for the determination of arbitrability and for the arbitration under the program. The court may, at its discretion, remove any action from the program.

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(c) The chief justice may hire on a contractual basis, and at the chief justice's pleasure remove, without regard to chapters 76 and 77, an arbitration administrator, who shall be responsible for the operation and management of the program, and such other persons deemed necessary for the purposes of the program in the judgment of the chief justice."

SECTION 22. Chapter 663, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§663- Serious emotional distress arising from property damage; cause of action abolished; exception for physical injury.** (a) No party shall be liable for the negligent infliction of serious emotional distress or disturbance if the distress or disturbance arises solely out of damage to property or material objects.

(b) This section shall not apply if the serious emotional distress or disturbance results in physical injury to or mental illness of the person who experiences the emotional distress or disturbance."

SECTION 23. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for the fiscal year 1986-1987, for the subsidy payments covering liability insurance premiums of certain obstetricians and gynecologists as the insurance commissioner shall designate under this Act. The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 24. There is appropriated out of the general revenues of the State of Hawaii the sum of \$400,000, or so much thereof as may be necessary for fiscal year 1986-1987, for the insurance commissioner to carry out the purposes of this Act, including the hiring of consultants and staff not subject to chapters 76 and 77. The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 25. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000, or so much thereof as may be necessary for fiscal year 1986-1987, to carry out the purposes of the court annexed arbitration program established by this Act including the hiring of necessary personnel. The sum appropriated shall be expended by the judiciary for the purposes of this Act.

SECTION 26. The insurance commissioner shall prepare and submit to the legislature, twenty days prior to the convening of the regular sessions of 1988 and 1989, respectively, closed case reports containing an evaluation of the operation and effects of this Act, and recommendations for changes or repeal of its provisions or portions thereof with supporting reason and data.

SECTION 27. The chief justice shall prepare and submit to the legislature, twenty days prior to the convening of the regular session of 1987, a report covering the status of the implementation of the court annexed arbitration program established under this Act, a projection of the personnel and activities reasonably required to carry out the purposes of the program, a proposed budget for the operation of the program with supporting data, and such recommendation with respect to the program aimed at reducing delay in the disposition of civil actions as the chief justice shall deem appropriate.

SECTION 28. This Act does not affect rights, duties, or actions that are based upon events or acts which have taken place prior to the effective

date of this Act, nor to penalties that were incurred and proceedings that were begun, before the effective date of this Act.

**SECTION 29. Severability.** If any provision of this Act, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable; provided that Sections 2 to 7, Section 17, and Section 20 are not severable and if any one of these sections is held invalid all of Sections 2 to 7, Section 17, and Section 20 shall be invalid; provided further that Sections 2 to 7 and Section 15 are not severable and if any one of Sections 2 to 7 are held invalid, Section 15 shall be invalid.

**SECTION 30.** Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>2</sup>

**SECTION 31.** This Act shall take effect upon its approval, and Sections 2 to 7, Section 17, and Section 20 shall be repealed on October 1, 1989.

(Approved August 4, 1986.)

**Notes**

1. Should be underscored.
2. Edited pursuant to HRS §23G-16.5.