

ACT 328

H.B. NO. 3277

A Bill for an Act Relating to Variable Annuities.

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

SECTION 1. Chapter 485, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§485- Variable annuities; exemption.** (a) Notwithstanding the requirements of section 485-14, no issuer, dealer, or salesman shall be required to be registered under this chapter in order to be qualified to sell variable annuities provided the following requirements are met:

- (1) The salesman is:
  - (A) Appointed by a general agent who is appointed by a life insurance company admitted to do life insurance and annuity business in this State;
  - (B) Properly licensed by the insurance commissioner to sell life insurance;
  - (C) Properly registered with the National Association of Securities Dealers, Inc. in a category of registration that authorizes the salesman to sell variable annuities; and
  - (D) Associated with a dealer that is a registered broker/dealer with the Securities and Exchange Commission and a member of the National Association of Securities Dealers, Inc.;
- (2) The dealer is a registered broker/dealer with the Securities and Exchange Commission and a member of the National Association of Securities Dealers, Inc. authorized to sell only variable annuities and other insurance products, and must sell only through a salesman who satisfies the criteria of paragraph (1);
- (3) The issuer is a life insurance company admitted to do life insurance and annuity business in this State; and
- (4) The issuer and dealer are parent, subsidiary, or related companies through common ownership.

(b) The exemption provided under the section shall be limited to the sale of variable annuities and other variable insurance products. The sale of any other security shall constitute a violation of this chapter. The commissioner retains full powers to inspect the records of any dealer pursuant to section 485-16.”

SECTION 2. New statutory material is underscored.<sup>1</sup>

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

(Approved June 13, 1988.)

**Note**

1. Edited pursuant to HRS §23G-16.5.