

ACT 363

H.B. NO. 3304

A Bill for an Act Relating to the Insurance Code.

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

SECTION 1. Act 347, Session Laws of Hawaii 1987, section 2, is amended by adding a new section to be designated and to read as follows:

“§431:10-244 Filing procedure for contracts approved by commissioner. Each insurance contract requiring approval by the commissioner pursuant to section 392-48 and section 386-124 shall be accompanied by a \$20 fee payable to the commissioner, which fee shall be deposited in the commissioner’s education and training fund.”

SECTION 2. Act 347, Session Laws of Hawaii 1987, section 2, is amended as follows:

1. By amending section 431:2-105 to read:

“§431:2-105 Deputies, employees. (a) There shall be a chief deputy commissioner, who shall be subject to [the provisions of] chapters 76 and 77. The chief

deputy commissioner shall have power to perform any act or duty conferred upon the commissioner, and shall take and subscribe the same oath of office as the commissioner, which oath shall be endorsed upon the certificate of the chief deputy commissioner's appointment and filed in the office of the lieutenant governor.

(b) There may be additional deputy commissioners and examiners and actuarial, technical, and administrative assistants and clerks for such purposes as the commissioner may designate. All of the positions shall be subject to chapters 76 and 77.

(c) The commissioner may appoint a senior rate and policy analyst who shall not be subject to chapters 76 and 77.

[c]¹ (d) The commissioner shall be responsible for the official acts of the commissioner's deputies and employees.

[d]¹ (e) The commissioner may require any employee to be bonded as the commissioner deems proper. The cost of¹ [such] the bond shall be borne by the State."

2. By amending section 431:3-202 to read:

"§431:3-202 Insurer's name. (a) Every insurer shall conduct its business in its own legal name.

(b) No insurer shall assume or use a name deceptively similar to that of any other authorized insurer, nor which tends to deceive or mislead as to the type of organization of the insurer.

(c) When a foreign or alien insurer authorized to do business in this State wants to change the name under which its certificate of authority is issued, the insurer shall file a request for name change with the commissioner at least thirty days prior to the effective date of the name change. If within the thirty-day period the commissioner finds the name change request does not meet the requirements of this chapter or of the corporation laws of this State, the commissioner shall send to the insurer written notice of disapproval of the request specifying in what respect the proposed name change fails to meet the requirements of this chapter or the corporation laws of this State and stating that the name change shall not become effective."

3. By amending section 431:10A-113 to read:

"§431:10A-113 Filing procedure. The commissioner may [make] adopt reasonable rules [and regulations] concerning the procedure for the filing or submission of policies subject to this article as are necessary, proper, or advisable to the administration of this article. Each filing shall be accompanied by a \$20 fee payable to the commissioner, which fee shall be deposited in the commissioner's education and training fund. This provision shall not abridge any other authority granted the commissioner by law."

4. By amending section 431:20-103 to read:

"§431:20-103 General insurance law applicable. The following provisions [of this code] shall apply to title insurance and to title insurers:

- (1) Section 431:1-103 and section 431:1-105;
- (2) Section 431:1-212, section 431:1-213, and section 431:1-214;
- (3) Section 431:2-101 to section 431:2-106, and section 431:2-108 to section 431:2-110;
- (4) Section 431:2-201 to section 431:2-204, and section 431:2-207 to section 431:2-212;
- (5) Section 431:2-302, section 431:2-303, section 431:2-305, and section 431:2-306;

- (6) Section 431:3-101 to section 431:3-105;
- (7) Section 431:3-201 to section 431:3-203, section 431:3-205, section 431:3-206, and section 431:3-209 to section 431:3-220;
- (8) Section 431:3-301, section 431:3-305, section 431:3-307, and section 431:3-308;
- (9) Section 431:4-102 to section 431:4-127;
- (10) Section 431:4-202 to section 431:4-207;
- (11) Section 431:5-101;
- (12) Section 431:5-201 to section 431:5-203;
- (13) Section 431:5-305, section 431:5-306, and section 431:5-308 to section 431:5-311;
- (14) Article 6[, Part I, Part IV and Part V];
- [(15) Section 431:6-201;
- (16) Section 431:6-301 to section 431:6-320;
- (17) Article 7, Part I and Part III;
- (18) Section 431:7-201 to section 431:7-205;
- (19) Section 431:9-202 to section 431:9-205;
- (20) Article 9, Part II;]
- (15) Article 7;
- (16) Article 9;
- [(21)] (17) Section 431:10-211, section 431:10-216 to section 431:10-218, section 431:10-220, section 431:10-221, section 431:10-224, section 431:10-225, and section 431:10-235 to section 431:10-238;
- [(22) Section 431:13-101 to section 431:13-106;
- (23) Section 431:13-201 and section 431:13-202; and]
- (18) Article 13; and
- [(24)] (19) Article 15."

5. By amending subsection (a) of section 431:20-121 to read:

“(a) Every title insurer shall at least thirty days before use, file with the commissioner every form of insurance contract which it proposes to issue as to risks located in this State, together with the forms of all printed endorsements or other modifications of such contracts proposed to be used. Each filing shall be accompanied by a \$20 fee payable to the commissioner, which fee shall be deposited in the commissioner’s education and training fund.”

6. By amending subsection (f) of section 432:2-404 to read:

“(f) No certificate shall be delivered or issued for delivery in this State unless a copy of the form has been filed with the commissioner. Each filing shall be accompanied by a \$20 fee payable to the commissioner, which fee shall be deposited in the commissioner’s education and training fund. Every life, accident, health, or disability insurance certificate and every annuity certificate issued on or after [one year from the effective day of this article] July 1, 1989, shall meet the standard contract provision requirements not inconsistent with this article for like policies, except that a society may provide for a grace period for payment of premiums of one full month in its certificates. The certificate shall also contain a provision stating the amount of premiums which are payable under the certificate and a provision reciting or setting forth the substance of any sections of the society’s laws or rules in force at the time of issuance of the certificate which, if violated, will result in the termination or reduction of benefits payable under the certificate. If the laws of the society provide for expulsion or suspension of a member, the certificate shall also contain a provision that any member so expelled or suspended, except for nonpayment of a premium or within the contestable period for material misrepresentation in the application for membership or insurance, shall have the privilege of maintaining the certificate in force by continuing payment of the required premium.”

7. By amending section 432:2-603 to read:

“**§432:2-603 Annual license.** (a) Societies which are now authorized to transact business in this State may continue such business until May 1 next succeeding the effective date of this article. The authority of such societies and all societies hereafter licensed, may thereafter be renewed annually, but in all cases to terminate on the succeeding May 1. However, a license so issued shall continue in full force and effect until the new license [be] is issued or specifically refused. For each such license or renewal, the society shall pay the commissioner \$7.50. A duly certified copy or duplicate of such license shall be prima facie evidence that the licensee is a fraternal benefit society within the meaning of this article.

(b) If the license fee is not paid by May 1, the fee shall be increased by a penalty in the amount of fifty per cent of the fee. If the fee and the penalty are not paid within the thirty days immediately following the extension date, the commissioner may revoke the license until the fee and penalty have been paid.”

SECTION 3. Act 348, Session Laws of Hawaii 1987, section 16, is amended by amending subsection (a) of section 431:10B-108 to read as follows:

“(a) All policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements, and riders delivered or issued for delivery in this State and the schedules of premium rates pertaining thereto shall be filed with the commissioner for approval. Each filing shall be accompanied by a \$20 fee payable to the commissioner, which fee shall be deposited in the commissioner’s education and training fund. Forms and rates so filed shall be approved at the expiration of forty-five days after filing, unless earlier approved or disapproved by the commissioner. The commissioner by written notice to the insurer, within the forty-five day period, may extend the period for an additional thirty days.”

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.²

SECTION 5. This Act shall take effect on July 1, 1988.

(Approved June 14, 1988.)

Notes

1. So in original.
2. Edited pursuant to HRS §23G-16.5.