

ACT 103

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H.B. NO. 1993

A Bill for an Act Relating to Insurance.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 3 to read as follows:

“§431:3- Annual audit. (a) Annually on or before June 1, or such later date as the commissioner upon request or for cause may specify, each domestic insurer shall file an audit by a designated independent certified public accountant or accounting firm of the financial statements reporting the financial condition and the results of operations of the insurer. The insurer shall notify the commissioner in writing of the name and address of the person or firm retained to conduct the annual audit within sixty days after the effective date of the Act. The commissioner may disapprove the insurer’s designation within fifteen days of receipt of the insurer’s notice, and the insurer shall be required to designate another independent certified public accountant or accounting firm.

(b) An insurer may make written application to the commissioner for approval to file audited consolidated or combined financial statements in lieu of separate annual audited financial statements if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred per cent reinsurance agreement that affects the solvency and integrity of the insurer’s reserves and such insurer cedes all of its direct and assumed business to the pool.

(c) The commissioner may suspend or revoke the certificate of authority of any insurer who fails to file any of the documents required in subsection (a).”

SECTION 2. New statutory material is underscored.¹

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

(Approved May 7, 1991.)

Note

1. Edited pursuant to HRS §23G-16.5.