

ACT 113

S.B. NO. 1317

A Bill for an Act Relating to Temporary Disability Insurance.

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

SECTION 1. Chapter 392, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§392- Insurer’s requirements; failure to maintain a claims service office; penalty; injunction.** (a) Each insurer shall maintain a complete claims service office or engage an independent claims adjusting service as its claims agent in this State with draft authority for the processing of temporary disability insurance payments.

(b) If an insurer fails to comply with subsection (a), the insurer shall be subject to a civil penalty of not less than \$2,500 or \$100 for every day during which such failure continues, whichever sum is greater, to be recovered in an action brought by the director in the name of the State, and the amount so collected shall be paid into the special fund created by section 392-61. The director, in the director’s discretion, for good cause shown, may remit all or any part of the penalty in excess of \$2,500, if the insurer in default forthwith complies with subsection (a). With respect to such actions, the attorney general shall enforce this subsection if so requested by the director.

(c) If any insurer violates subsection (a) for a period of thirty days, the insurer may be enjoined by the circuit court from carrying on the insurer’s business any place in the State so long as the violation continues. The action for injunction shall be commenced by the attorney general if so requested by the director.”

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

**SECTION 3.** This Act shall take effect on January 1, 1992.

(Approved May 10, 1991.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

-