

ACT 78

H.B. NO. 999

A Bill for an Act Relating to Workers' Compensation Insurance.

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

SECTION 1. Chapter 386, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§386- Insurer's requirements; failure to maintain claims service office; penalty; injunction. (a) By January 1, 1992, each insurer shall establish and 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 and payment of compensation.

(b) Failure to comply with subsection (a) shall subject the insurer to a civil penalty of not less than \$2,500, or \$100 for every day during which the failure continues, whichever sum is greater, to be recovered in an action brought by the director in the name of the State in a court of competent jurisdiction. Any amounts so collected shall be paid into the special compensation fund provided by section 386-151. The director shall have discretion, for good cause shown, to remit all or any part of the penalty in excess of \$2,500, if the insurer in default forthwith complies with subsection (a).

(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 in any place in the State so long as the violation continues.

(d) The attorney general shall enforce this section if so requested by the director.”

SECTION 2. New statutory material is underscored.¹

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

(Approved April 30, 1991.)

Note

1. Edited pursuant to HRS §23G-16.5.