

A Bill for an Act Relating to Insurance.

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

SECTION 1. Section 431:15-323, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“**§431:15-323 Recovery of premiums owed.**<sup>1</sup> (a) [(1)] An agent, broker, premium finance company, or any other person, other than the insured, responsible for the payment of a premium shall be obligated to pay any unpaid collected premium [for the full policy term due the insurer] held by such person at the time of the declaration of insolvency, whether earned or unearned, as shown on the records of the insurer. An agent, broker, premium finance company, or any other person shall have no obligation to pay an uncollected unpaid unearned premium to the liquidator. The liquidator shall also have the right to recover from such person any part of an unearned premium that represents commission [of] actually paid or credited to such person. Credits or setoffs or both shall not be allowed to an agent, broker, or premium finance company for any amounts advanced to the insurer by the agent, broker, or premium finance company on behalf of, but in the absence of a payment by, the insured. [(2)] An insured shall be obligated to pay any unpaid earned premium due the insurer at the time of the declaration of insolvency as shown on the records of the insurer.”

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 Statutory material to be repealed is bracketed.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

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

(Approved June 9, 1993.)

**Note**

1. So in original.