

ACT 199

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H.B. NO. 603

A Bill for an Act Relating to Insurance.

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

SECTION 1. Section 431:3-215, Hawaii Revised Statutes, is amended to read as follows:

“§431:3-215 [Reinsurance and return of certificate of authority upon withdrawal.] Withdrawal from State; obligations. (a) No insurer other than a life insurer shall withdraw from this State until its direct liability to its policyholders and obligees under all its insurance contracts then in force in this State has been assumed by another authorized insurer under an agreement approved by the commissioner.

(b) The assuming insurer shall, within a reasonable time, replace the assumed insurance contracts with its own, or by endorsement thereon acknowledge its liability under the assumed contracts.

(c) [An insurer desiring to withdraw from this State must] Six months prior to withdrawing from this State, an insurer shall [first] file an affidavit with the commissioner showing that:

- (1) It desires to withdraw from this State and to discontinue business in this State; and
- (2) All of its outstanding policies have been either reinsured or have expired. If the outstanding policies are reinsured, the withdrawing insurer must also submit the reinsurer's affidavit stating that it has reinsured all the outstanding policies of the withdrawing insurer upon risks in this State or upon business originating in this State. The reinsurer must be an insurer authorized to carry on the business of insurance in this State.

(d) The insurer shall return for cancellation its current certificate of authority and licenses for general agents issued by the commissioner.

(e) [An insurer desiring to withdraw from this State will] Six months prior to withdrawing from this State, an insurer shall, in addition to other requirements, publish in this State a notice of withdrawal once each week [in four successive weeks,] for the first eight successive weeks, and again in the last four successive weeks in the sixth month [the last publication to be not less than twenty-one days after the first publication,] in a newspaper of daily circulation. The notice of withdrawal as published must have the prior approval of the commissioner.”

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 Statutory material to be repealed is bracketed.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 10, 1993.)