

A Bill for an Act Relating to the Hawaii Property Insurance Association.

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

SECTION 1. Section 431:21-109, Hawaii Revised Statutes, is amended to read as follows:

“~~[§431:21-109]~~ **Insurance coverages available under plan.** (a) All properties qualifying for coverage under the plan of operation shall be eligible for the standard fire policy and extended coverage endorsement. The association shall provide additional coverages when directed by the commissioner or when approved by the commissioner.

(b) At the written request of any person who is, or is attempting to become, a mortgagor on real property that qualifies for coverage under the plan of operation, the association shall provide coverage for an amount not less than the amount of the mortgage obligation, but no greater than the value of the property being insured; provided that it does not exceed the limits of the plan. The policy shall name the intended mortgagee as the beneficiary for the amount equal to the outstanding balance on the mortgage.

(c) In the application of subsection (b), the amount covered under the policy shall comply with article 10E.”

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 Statutory material to be repealed is bracketed.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 April 14, 1997.)