

ACT 16

H.B. NO. 1190

A Bill for an Act Relating to Captive Insurance Companies.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 19 to be appropriately designated and to read as follows:

“§431:19- Applicability of other laws to captive insurance companies writing credit life or other credit disability insurance policies. Captive insurance companies writing credit life or credit disability policies in this State shall be subject to sections 431:10B-101 through 431:10B-114. Captive insurance companies shall also be subject to the rules adopted, pursuant to chapter 91, by the commissioner to implement these sections.”

SECTION 2. Section 431:19-102, Hawaii Revised Statutes, is amended by amending subsection (h) to read as follows:

“(h) A captive insurance company may engage in the business of any of the following types of insurance:

- (1) All casualty insurance;
- (2) Marine and transportation insurance;
- (3) Marine protection and indemnity insurance, which includes insurance against, or against legal liability of the insured for loss, damage, or expense arising out of or incident to, the ownership, operation, chartering, maintenance, use, repair, or construction of a vessel, craft, or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness, death, or for loss of or damage to the property of another person;
- (4) Wet marine and transportation insurance, which is that part of marine and transportation insurance that includes only:
 - (A) Insurance upon vessels, crafts, hulls, and of interests therein or with relation thereto;
 - (B) Insurance of marine builder’s risks, marine war risks and contracts, or marine protection and indemnity insurance;
 - (C) Insurance of freights and disbursements pertaining to a subject of insurance; and
 - (D) Insurance of personal property and interests therein, in the course of exportation from or importation into any country, and in the course of transportation coastwise or on inland waters, including transportation by land, water or air from point of origin to final destination, with respect to, appertaining to, or in connection with any and all risks or perils of navigation, transit, or transportation, and while being prepared for and while awaiting shipment, and

ACT 16

during delays, storage, transshipment, or reshipment incident thereto;

- (5) Property insurance;
- (6) Surety insurance;
- (7) Title insurance; and
- (8) Credit life insurance and credit disability insurance [relating to specific loans or other credit transactions between] offered as part of, or relating directly to the business or operations of its parent or affiliated companies [and any of their directors, officers, and employees].”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.¹

SECTION 4. This Act shall take effect upon its approval.

(Approved April 14, 1997.)

Note

1. Edited pursuant to HRS §23G-16.5.