

ACT 234

H.B. NO. 1900

A Bill for an Act Relating to Insurance Licensing.

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

SECTION 1. Section 431:7-101, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

- “(a) The commissioner shall collect in advance the following fees:
  - (1) Certificate of authority: Issuance ..... \$600
  - (2) Organization of domestic insurers and affiliated corporations:
    - (A) Application and all other papers required for issuance of solicitation permit, filing ..... \$1,000
    - (B) Issuance of solicitation permit ..... \$100
  - (3) General agent’s license:
    - (A) Issuance, regular license ..... \$50
    - (B) Issuance, temporary license ..... \$50
  - (4) Subagent’s license:
    - (A) Issuance, regular license ..... \$50
    - (B) Issuance, temporary license ..... \$50

- (5) Nonresident agent's or broker's license: Issuance ..... \$40
- (6) Solicitor's license: Issuance ..... \$40
- (7) Independent adjuster's license: Issuance ..... \$40
- (8) Public adjuster's license: Issuance ..... \$40
- (9) Workers' compensation claims adjuster's limited license:  
Issuance ..... \$40
- (10) Limited license issued pursuant to section 431:9-214(c): Issuance \$40
- (11) Managing general agent's license: Issuance ..... \$50
- (12) Reinsurance intermediary's license: Issuance ..... \$50
- [(9)] (13) Surplus line broker's license: Issuance ..... \$100
- [(10)] (14) Examination for license: For each examination, a fee to be established by the commissioner [by rule adopted in accordance with chapter 91].

(b) The fees for services of the department of commerce and consumer affairs subsequent to the issuance of a certificate of authority or a license are as follows:

- (1) \$400 per year for all services (including extension of the certificate of authority) for an authorized insurer.
- (2) \$50 per year for all services (including extension of the license) for a regularly licensed general agent.
- (3) \$50 per year for all services (including extension of the license) for a regularly licensed subagent.
- (4) \$30 per year for all services (including extension of the license) for a regularly licensed nonresident broker.
- (5) \$20 per year for all services (including extension of the license) for a regularly licensed solicitor.
- (6) \$30 per year for all services (including extension of the license) for a regularly licensed independent adjuster.
- (7) \$30 per year for all services (including extension of the license) for a regularly licensed public adjuster.
- (8) \$30 per year for all services (including extension of the license) for a regularly limited licensed workers' compensation claims adjuster.
- (9) \$30 per year for all services (including extension of the license) for a limited license issued pursuant to section 431:9-214(c).
- (10) \$50 per year for all services (including extension of the license) for a regularly licensed managing general agent.
- (11) \$50 per year for all services (including extension of the license) for a regularly licensed reinsurance intermediary.
- [(8)] (12) \$30 per year for all services (including extension of the license) for a licensed surplus line broker.
- [(9)] (13) The services referred to in paragraphs (1) to [(8)] (12) shall not include services in connection with examinations, investigations, hearings, appeals, and deposits with a depository other than the department of commerce and consumer affairs."

SECTION 2. Section 431:9-206, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) This requirement shall not apply to:
  - (1) Applicants for limited licenses, as travel insurance subagents or solicitors only, under section 431:9-214;
  - (2) Applicants who at any time within the three-year period next preceding date of application held a license in this State which conferred powers comparable to those being applied for;

- [(3) Applicants for license as nonresident agent or broker who have fulfilled qualification requirements in their state of residence and who are deemed by the commissioner to be fully qualified and competent;
- (4)] (3) Applicants for a general agent's, subagent's, or solicitor's license for life insurance or life disability insurance who hold the designation chartered life underwriter (C.L.U.) from The American College; or
- [(5)] (4) Applicants for a general agent's, subagent's, or solicitor's license for any class of insurance, except life insurance, who hold the designation chartered property and casualty underwriter (C.P.C.U.) from the American Institute for Property and Liability Underwriters, Incorporated."

SECTION 3. Section 431:9-211, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Each [such] appointment shall be effective when all parties to the appointment have signed the notice of appointment form. The appointment form shall be mailed to the commissioner within ten days after the signature of the last party. The effective date of the appointment shall be the date on which the last party signs the appointment form[.] if the appointment form is mailed within the ten-day period. If the appointment form is not mailed within ten days, the effective date of the appointment shall be the date on which the commissioner receives the appointment form. The appointment shall continue in force until:

- (1) The commissioner notifies the insurer that the person so appointed is no longer licensed as a general agent by this State; [or]
- (2) The commissioner notifies the general agent or domestic insurer that the person so appointed is no longer licensed as a subagent by this State; [or]
- (3) The appointment as general agent is:
  - (A) Revoked by the insurer by written notice of the revocation to the general agent; or
  - (B) Terminated by the general agent by written notice of the termination to the insurer; or
- (4) The appointment as subagent is:
  - (A) Revoked by the general agent or domestic insurer by written notice of the revocation to the subagent; or
  - (B) Terminated by the subagent by written notice of the termination to the general [[agent[]] or domestic insurer."

SECTION 4. Section 431:9-214, Hawaii Revised Statutes, is amended to read as follows:

"**§431:9-214 Limited license.** (a) The commissioner may issue limited licenses as travel insurance subagents or solicitors to persons selling travel tickets of a common carrier of persons or property who shall act only as to travel ticket policies of disability insurance or baggage insurance on personal effects.

(b) The commissioner may prescribe and furnish special forms calling for any information that the commissioner deems proper in connection with the application for or extension of these licenses.

(c) The commissioner may issue:

- (1) A limited license to each individual who has charge of vending machines used in this State for the effectuation of travel insurance;

- (2) A limited license to any individual who sells policies of accident and sickness insurance as a promotional device to improve the circulation of a newspaper in this State;
  - (3) A limited license to creditors for the purposes of enrolling debtors under a group credit life insurance or group credit disability insurance policy, issuing certificates of insurance pursuant thereto, or issuing individual credit life insurance or credit disability insurance policies to debtors; or
  - (4) A limited credit insurance license to any individual who sells policies of individual or group credit life, credit accident and health, credit involuntary unemployment, or credit property insurance provided the individual satisfactorily passes a precensuring examination that is limited to the kinds of insurances marketed through creditors.
- (d) The limited license shall not be issued until the license fee has been paid.”

SECTION 5. Section 431:9-216, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each [such] appointment shall be effective when all parties to the appointment have signed the notice of appointment form. The appointment form shall be mailed to the commissioner within ten days after the signature of the last party. The effective date of the appointment shall be the date on which the last party signs the notice of appointment form[.] if the appointment form is mailed within the ten-day period. If the appointment form is not mailed within ten days, the effective date of the appointment shall be the date on which the commissioner receives the appointment form. The appointment shall continue in force until:

- (1) The commissioner notifies the general agent, subagent, or domestic insurer that the person so appointed is no longer licensed as a solicitor by this State; [or]
- (2) The appointment is revoked by the general agent, subagent, or domestic insurer by written notice of the revocation to the solicitor; or
- (3) The appointment is terminated by the solicitor by written notice of the termination to the general agent, subagent, or domestic insurer.”

SECTION 6. Section 431:9-217, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) To qualify for a solicitor’s license, an applicant [must] shall otherwise comply with this article and [must:] shall:

- (1) Be domiciled in this State;
- (2) Represent only one licensed general agent, subagent, or domestic insurer; provided that:
  - (A) A solicitor representing a general agent may also represent that general agent in any subagent capacity to which that general agent is appointed;
  - (B) A solicitor, representing a general agent, subagent, or domestic insurer and licensed for life insurance only or life and disability insurance, may represent one other general agent, subagent, or domestic insurer for the solicitation of other classes of insurance; and
  - (C) Insurance used to provide funds to cover burial expenses only, payable to a funeral director, shall not be construed as the same

class of insurance as life insurance for the purposes of this subsection;

- (3) Have passed the examination provided for in section 431:9-206 within the immediately preceding two-year period[.]; and
- (4) Have paid the license fee.”

SECTION 7. Section 431:9-219, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) No such individual shall be so licensed unless the individual files the power of attorney provided for in article 2[.] and pays the license fee.”

SECTION 8. Section 431:9-222, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) To qualify for an adjuster’s license,<sup>1</sup> an applicant [must] shall comply with this article and [must:] shall

- (1) Be domiciled in this State, or in a state which will permit residents of this State to act as adjusters in such other state;
- (2) Have had experience, special education, or training with reference to the handling of loss claims under insurance contracts, of sufficient duration and extent reasonably to make the individual competent to fulfill the responsibilities of an adjuster; [and]
- (3) Have successfully passed any examination required under section 431:9-206[.]; and
- (4) Have paid the license fee.”

SECTION 9. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 10. This Act shall take effect upon its approval.

(Approved June 17, 1997.)

**Note**

1. Comma should be underscored.