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S.B. NO. 1501

A Bill for an Act Relating to the Insurance Code.

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

SECTION 1. Section 431:3-203.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§431:3-203.5]] Foreign insurer; [accreditation.] certification.~~ Notwithstanding section 431:3-203 or any other law to the contrary in this code, the insurance commissioner shall grant a certificate of authority to any applicant, regardless of the number of previous years experience in the business of insurance, that is an insurer licensed under the insurance laws of one of not less than three states annually designated by the insurance commissioner from among the states which are accredited by the National Association of Insurance Commissioners. The loss of accreditation by a state designated by the commissioner shall not in itself affect the validity of a previously issued certificate of authority by the commissioner to a foreign insurer licensed under the insurance laws of the previously accredited state. Nor shall the commissioner’s de-selection of a state affect the validity of a previously issued certificate of authority to a foreign insurer licensed by that state. Each year, after having designated, or redesignated, the accredited states whose insurers shall be authorized to transact insurance in this State, the commissioner shall cause to be published in a newspaper of general circulation in this State, and in those of the designated states, the fact that those states have been so designated. The commissioner may waive the filing of any document required to be submitted under section

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431:3-212. Nothing in this section shall limit the commissioner's authority to require a foreign insurer to proceed with the [accreditation] certification process under this article if the commissioner, at the commissioner's discretion, determines that it would be in the public interest."

SECTION 2. Section 431:3-301, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Any insurer failing or refusing to submit the annual filings or any of the documents in accordance with subsection (a) shall be liable for a [penalty] fine in an amount not less than \$100 and not more than \$500 for each day of delinquency. The commissioner may suspend or revoke the certificate of authority of any insurer that fails to file any of the documents required pursuant to subsection (a).”

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

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

(Approved April 22, 1997.)