

A Bill for an Act Relating to Insurance.

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

SECTION 1. Section 431:2-105, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There shall be a chief deputy commissioner, who shall be subject to chapters 76 and 77. The chief deputy commissioner shall have the<sup>1</sup> power to perform any act or duty [conferred upon] assigned by the commissioner, and shall take and subscribe the same oath of office as the commissioner, which oath shall be endorsed upon the certificate of the chief deputy commissioner’s appointment and filed in the office of the lieutenant governor.”

SECTION 2. Section 431:2-203, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) (1) A person who intentionally or knowingly violates, intentionally or knowingly permits any person, over whom the person has authority, to violate, or intentionally or knowingly aids any person in violating any insurance rule or statute of this State or any effective order issued by the commissioner, shall be subject to any penalty or fine as stated in this code or the penal code of the Hawaii Revised Statutes.
- (2) If the commissioner has cause to believe that any<sup>2</sup> of other [laws] law relating to insurance, the commissioner shall certify the facts of the violation to the public prosecutor of the jurisdiction [of] in which the offense was committed.
- (3) Violation of any provision of this code is punishable by a fine of not less than [\$10] \$100 nor more than [\$1,000,] \$10,000 per violation, or by imprisonment for not more than one year, or both, in addition to any other penalty or forfeiture provided herein or otherwise by law.
- (4) The terms [intentionally] “intentionally” and [knowingly] “knowingly” have the meanings given in [sections] section 702-206(1) and [702-206(2).] (2).”

SECTION 3. Section 432:1-101.5, Hawaii Revised Statutes, is amended to read as follows:

“**[§432:1-101.5]] Disclosure of health care coverage and benefits.** In order to ensure that all individuals understand their health care options and are able to make informed decisions, all mutual benefit societies shall provide current and prospective members with written disclosure of coverages and benefits, including information on coverage principles and any exclusions or restrictions on coverage.

The information provided shall be current, understandable, and available prior to membership, and upon request after membership. A policy provided to a member which describes coverages and benefits shall be in conformance with part I of article 10 of chapter 431.”

SECTION 4. Section 432:2-609, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) [Agents of societies shall be licensed in accordance with article 9 of the insurance code; provided that no examination shall be required of any individual

licensed to represent a fraternal benefit society prior to July 1, 1988.] Fraternal benefit society agents shall be licensed in accordance with the provisions governing solicitors in article 9 of chapter 431, except that the appointment shall be made by the fraternal benefit society. Fraternal benefit society agents are not prohibited from obtaining additional licenses provided for in article 9. No examination shall be required of an individual licensed to represent a fraternal benefit society prior to July 1, 1988.”

SECTION 5. Section 432D-25, Hawaii Revised Statutes, is amended to read as follows:

**“[[§432D-25]] Disclosure of health care coverage and benefits.** In order to ensure that all individuals understand their health care options and are able to make informed decisions, all health maintenance organizations shall provide current and prospective enrollees with written disclosure of coverages and benefits, including information on coverage principles and any exclusions or restrictions on coverage.

The information provided shall be current, understandable, and available prior to enrollment, and upon request after enrollment. A policy or contract provided to an enrollee which describes coverages and benefits shall be in conformance with part I of article 10 of chapter 431.”

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval, except that sections 3 and 5 of this Act shall take effect on January 1, 2000.

(Approved July 2, 1999.)

#### Notes

1. “The” should be underscored.
2. Prior to amendment “person has violated any penal provision of this code or” appeared here.