

ACT 49

H.B. NO. 598

A Bill for an Act Relating to Consumer Protections for Depository Institution Sales of Insurance.

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

SECTION 1. Section 412:5-205.6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Pursuant to section 412:5-205.5, a bank may engage in insurance sales through an independent insurance agent or agency under contract. In addition, a bank may engage in insurance sales pursuant to section 412:5-205.5, either directly in any department or division of the bank or through a subsidiary or affiliate of the bank, [if the following requirements are met:

- (1) ~~The bank is prohibited from offering insurance products at teller stations;~~
- (2) ~~An agent of the bank or of its subsidiary or affiliate engaged in selling insurance in this State pursuant to section 412:5-205.5 shall be licensed in accordance with article 9, chapter 431;~~
- (3) ~~The bank or its insurance affiliate or subsidiary shall be] subject to [article 13,] chapter 431[, relating to unfair practices;~~
- (4) ~~The bank or its insurance affiliate or subsidiary shall prominently disclose in writing to customers solicited to purchase non-credit insurance that the insurance offered or sold:

 - (A) ~~Is not a deposit;~~
 - (B) ~~Is not insured by the Federal Deposit Insurance Corporation; and~~
 - (C) ~~Is not guaranteed by the bank or an affiliated depository institution.~~~~
- (5) ~~The bank or its insurance affiliate or subsidiary shall disclose in writing to customers solicited to purchase annuities that annuities offered or sold when appropriate, involve investment risk, including potential loss of principal].”~~

SECTION 2. Statutory material to be repealed is bracketed and stricken.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 26, 2001.)