

ACT 32

H.B. NO. 2028

A Bill for an Act Relating to Group Life Insurance.

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 part II of article 10D, to be appropriately designated and to read as follows:

“§431:10D-A **Other groups; limits.** Group life insurance offered to a Hawaii resident under a group life insurance policy issued to a group, other than a group described in sections 431:10D-202 through 431:10D-211, shall be subject to the following requirements:

- (1) No group life insurance policy shall be delivered in this State unless the commissioner finds that:
 - (A) The issuance of the group life insurance policy is not contrary to the best interest of the public;
 - (B) The issuance of the group life insurance policy would result in economies of acquisition or administration; and
 - (C) The benefits of the group life insurance policy are reasonable in relation to the premium charged;
- (2) No group life insurance coverage may be offered in this State, pursuant to this section, by an insurer under a group life insurance policy issued in another state, unless:
 - (A) The commissioner finds that the requirements of paragraph (1) have been met; or
 - (B) The issuing state has requirements substantially similar to those contained in paragraph (1) and has determined that those requirements have been met;
- (3) The premium for a group life insurance policy issued pursuant to this section shall be paid by the policyholder, by covered persons, or both; and
- (4) An insurer may exclude from coverage or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer under a group life insurance policy issued pursuant to this section.”

SECTION 2. Section 431:10A-201, Hawaii Revised Statutes, is amended to read as follows:

“§431:10A-201 Definitions. For the purposes of this article:

~~[(+)~~ (A) “Blanket disability insurance policy” means any policy or contract of accident and health or sickness insurance which ~~[conforms with the description and complies with one of the following requirements:]~~ does not require individual applications for covered persons and is:

~~[(+)~~ (1) A policy issued to any common carrier of passengers, which ~~[carrier]~~ shall be deemed the policyholder, ~~[covering]~~ that covers a group defined as all persons who may become ~~[such]~~ passengers~~], and whereby such passengers]~~ who shall be insured against loss or damage resulting from death or bodily injury either while~~]~~ or as a result of~~]~~ being ~~[such]~~ passengers~~[-];~~

~~[(+)~~ (2) A policy issued in the name of any volunteer fire department, first aid or ambulance squad, or volunteer police organization, which shall be deemed the policyholder, ~~[and covering]~~ that covers all the members of ~~[any such]~~ the policy holder organization against loss from accidents resulting from hazards incidental to duties in connection with such organizations~~[-];~~

~~[(+)~~ (3) A policy issued in the name of any established organization, whether incorporated or not, ~~[having]~~ that is recognized by the community [recognition and] as being operated for the welfare of the community and its members and not for profit, which shall be deemed the policyholder, ~~[and covering]~~ that covers all volunteer workers who serve without pecuniary compensation and the members of the organization~~]~~ against loss from accidents occurring while engaged in the actual performance of duties ~~[on behalf of such organization or in the activities thereof:]~~ or activities of the policy holder organization;

~~[(+)~~ (4) A policy issued to an employer, who shall be deemed the policyholder, ~~[covering]~~ that covers any group of employees defined by reference to exceptional hazards incident to ~~[such]~~ employment~~], insuring such]~~ and that insures employees against death or bodily injury resulting ~~[while, or from, being exposed to such]~~ from or caused by exposure to exceptional hazards[-];

~~[(+)~~ (5) A policy ~~[covering]~~ issued to a college, school, institute of learning, or to the head or principal of a college, school, or institute of learning, which or who shall be deemed the policy holder, that covers students or employees ~~[issued to a college, school, or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder.]; or~~

~~[(+)~~ (6) A policy issued to a substantially similar group ~~[who, in]~~ that, pursuant to the discretion of the commissioner, may be properly eligible for blanket disability insurance~~[-~~

~~(B) Nothing in this section shall be deemed to]; provided that a blanket disability insurance policy shall not affect the liability of policyholders for the death of or injury to, any such member of such group.~~

~~[(C) Individual applications shall not be required from individuals covered under a blanket disability insurance contract.~~

The term employees shall be deemed to include as employees of a single employer.] “Employees” means the compensated officers, managers, and employees of the employer and of subsidiary or affiliated corporations of a corporation employer, [and] the individual proprietors, partners, and employees of individuals and firms of which the business is under common control through stock ownership, contract, or otherwise[. The policy may provide that the term employees shall include], the individual proprietor or partners if the employer is an individual proprietor or a partnership[. The term employee may be deemed to include] and if specified by the policy, and retired employees.

[(3) The term employer shall be deemed to include] “Employer” means any municipal corporation or governmental unit, agency, or department [thereof] as well as private individuals, firms, corporations, and other persons.

[(4) “Group disability insurance” means that form of accident and health or sickness insurance covering groups of persons, with or without their dependents and family members, and issued under a master policy to:

[(A) ~~Such groups as~~] (1) Groups that qualify for group life insurance under [sections] 431:10D-201 to 431:10D-211 and 431:10D-A of this code; or

[(B) (2) An automobile club formed for purposes other than obtaining group insurance, covering] that covers the members of the club.”

SECTION 3. In codifying the new section added by section 1 of this Act, the revisor of statutes shall substitute an appropriate section number for the letter used in designating the new section in this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 5. This Act shall take effect upon its approval.

(Approved April 19, 2010.)

Note

1. Edited pursuant to HRS §23G-16.5.