
A BILL FOR AN ACT

RELATING TO INSURANCE PREMIUM TAXES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 431:7-202, Hawaii Revised Statutes, is
2 amended by amending subsections (b) and (c) to read as follows:

3 "(b) Each authorized insurer, with respect to life
4 insurance contracts, shall pay to the director of finance
5 through the commissioner a tax of [~~2.75~~] 4.265 per cent on the
6 gross premiums received from all risks resident within this
7 State, during the year ending on the preceding December 31, less
8 return premiums, dividends paid or credited to policyholders,
9 and reinsurance accepted (the tax upon such business being
10 payable by the direct writing insurer).

11 The tax also shall apply to premiums for insurance written
12 on individuals residing outside the State unless the direct
13 writing insurer shall show the payment of a comparable tax to
14 another appropriate taxing authority. Such showing may be
15 required as to any premium written, procured, or received in the
16 State.

17 (c) Each authorized insurer [~~shall~~], with respect to all
18 ocean marine insurance contracts written within the State,



1 during the year ending on the preceding December 31, shall pay
2 to the director of finance through the commissioner a tax of
3 [~~.8775~~] 4.265 per cent on its gross underwriting profit. The
4 gross underwriting profit shall be ascertained by deducting from
5 the net premiums (i.e., gross premiums less all return premiums
6 and premiums for reinsurance ceded) on such ocean marine
7 insurance contracts, the net losses paid (i.e., gross losses
8 paid less salvage and recoveries on reinsurance ceded) during
9 such year under such contracts. In the case of an insurer
10 issuing participating contracts, the gross underwriting profit
11 shall not include, for computation of the tax prescribed by this
12 subsection, the amount refunded, or paid as participation
13 dividends, by such insurer to the holders of such contracts."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval
17 and shall be repealed on December 31, 2015.

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INTRODUCED BY:

Calvin K. Boy

JAN 28 2009



Report Title:

Insurance Premium Tax

Description:

Changes the insurance premium tax rates for life insurance and ocean marine insurance contracts.

