



GOV. MSG. NO. 490

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

April 19, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on April 19, 2010, the following bill was signed into law:

HB2028 SD1

A BILL FOR AN ACT
RELATING TO GROUP LIFE INSURANCE.
ACT 032 (10)

Sincerely,



LINDA LINGLE

Approved by the Governor

on APR 19 2010

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2010
STATE OF HAWAII

ACT 032

H.B. NO. 2028
S.D. 1

A BILL FOR AN ACT

RELATING TO GROUP LIFE INSURANCE.

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

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to part II of article 10D, to be
3 appropriately designated and to read as follows:

4 "§431:10D-A Other groups; limits. Group life insurance
5 offered to a Hawaii resident under a group life insurance policy
6 issued to a group, other than a group described in sections
7 431:10D-202 through 431:10D-211, shall be subject to the
8 following requirements:

9 (1) No group life insurance policy shall be delivered in
10 this State unless the commissioner finds that:

11 (A) The issuance of the group life insurance policy
12 is not contrary to the best interest of the
13 public;

14 (B) The issuance of the group life insurance policy
15 would result in economies of acquisition or
16 administration; and



1 (C) The benefits of the group life insurance policy
2 are reasonable in relation to the premium
3 charged;

4 (2) No group life insurance coverage may be offered in
5 this State, pursuant to this section, by an insurer
6 under a group life insurance policy issued in another
7 state, unless:

8 (A) The commissioner finds that the requirements of
9 paragraph (1) have been met; or

10 (B) The issuing state has requirements substantially
11 similar to those contained in paragraph (1) and
12 has determined that those requirements have been
13 met;

14 (3) The premium for a group life insurance policy issued
15 pursuant to this section shall be paid by the
16 policyholder, by covered persons, or both; and

17 (4) An insurer may exclude from coverage or limit the
18 coverage on any person as to whom evidence of
19 individual insurability is not satisfactory to the
20 insurer under a group life insurance policy issued
21 pursuant to this section."



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

3 "§431:10A-201 Definitions. For the purposes of this
4 article:

5 ~~[(1)(A)]~~ "Blanket disability insurance policy" means any
6 policy or contract of accident and health or
7 sickness insurance which ~~[conforms with the~~
8 ~~description and complies with one of the~~
9 ~~following requirements.]~~ does not require
10 individual applications for covered persons and
11 is:

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

21 ~~[(ii)]~~ (2) A policy issued in the name of any
22 volunteer fire department, first aid or



1 ambulance squad, or volunteer police
2 organization, which shall be deemed the
3 policyholder, ~~[and covering]~~ that covers all
4 the members of ~~[any such]~~ the policy holder
5 organization against loss from accidents
6 resulting from hazards incidental to duties
7 in connection with such organizations ~~[.]~~;

8 ~~[(iii)]~~ (3) A policy issued in the name of any
9 established organization, whether
10 incorporated or not, ~~[having]~~ that is
11 recognized by the community ~~[recognition~~
12 ~~and]~~ as being operated for the welfare of
13 the community and its members and not for
14 profit, which shall be deemed the
15 policyholder, ~~[and covering]~~ that covers all
16 volunteer workers who serve without
17 pecuniary compensation and the members of
18 the organization ~~[.]~~ against loss from
19 accidents occurring while engaged in the
20 actual performance of duties ~~[on behalf of~~
21 ~~such organization or in the activities~~



1 ~~thereof.]~~ or activities of the policy holder
2 organization;

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

12 ~~[-(v)]~~ (5) A policy ~~[covering]~~ issued to a
13 college, school, institute of learning, or
14 to the head or principal of a college,
15 school, or institute of learning, which or
16 who shall be deemed the policy holder, that
17 covers students or employees ~~[issued to a~~
18 ~~college, school, or other institution of~~
19 ~~learning or to the head or principal~~
20 ~~thereof, who or which shall be deemed the~~
21 ~~policyholder.]~~; or

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

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

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

14 ~~(2) The term employees shall be deemed to include as~~
15 ~~employees of a single employer,]~~ "Employees" means the
16 compensated officers, managers, and employees of the
17 employer and of subsidiary or affiliated corporations
18 of a corporation employer, ~~[and]~~ the individual
19 proprietors, partners, and employees of individuals
20 and firms of which the business is under common
21 control through stock ownership, contract, or
22 otherwise~~[- The policy may provide that the term~~



1 ~~employees shall include~~, the individual proprietor or
 2 partners if the employer is an individual proprietor
 3 or a partnership [~~. The term employee may be deemed to~~
 4 ~~include~~] and if specified by the policy, and retired
 5 employees.

6 [~~(3) The term employer shall be deemed to include~~]

7 "Employer" means any municipal corporation or
 8 governmental unit, agency, or department [~~thereof~~] as
 9 well as private individuals, firms, corporations, and
 10 other persons.

11 [~~(4)~~] "Group disability insurance" means that form of
 12 accident and health or sickness insurance covering
 13 groups of persons, with or without their dependents
 14 and family members, and issued under a master policy
 15 to:

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

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

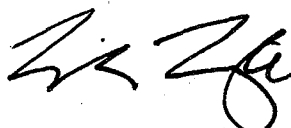


1 SECTION 3. In codifying the new section added by section 1
2 of this Act, the revisor of statutes shall substitute an
3 appropriate section number for the letter used in designating
4 the new section in this Act.

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

7 SECTION 5. This Act shall take effect upon its approval.
8

APPROVED this 19 day of APR, 2010



GOVERNOR OF THE STATE OF HAWAII

