

JAN 22 2010

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# 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-    Other groups; limits. (a) Group life  
5 insurance, other than a policy described in sections 431:10D-202  
6 through 431:10D-211, shall not be offered or delivered in this  
7 State unless the commissioner finds that:

8           (1) The issuance of the group life insurance policy is not  
9           contrary to the best interest of the public;

10          (2) The issuance of the group life insurance policy would  
11          result in economies of acquisition or administration;  
12          and

13          (3) The benefits of the group life insurance policy are  
14          reasonable in relation to the premium charged.

15          (b) No group life insurance coverage may be offered or  
16 delivered in this State, pursuant to this section, by an insurer



1 under a group life insurance policy issued in another state,

2 unless:

3 (1) The commissioner finds that the policy conforms to the  
4 requirements of subsection (a); or

5 (2) The issuing state has requirements substantially  
6 similar to those contained in subsection (a) and has  
7 made a determination that those requirements have been  
8 met.

9 (c) The premium for a group life insurance policy issued  
10 pursuant to this section shall be paid by the policyholder,  
11 covered persons, or both.

12 (d) An insurer may exclude or limit from coverage under a  
13 policy issued pursuant to this section any person as to whom  
14 evidence of individual insurability is not satisfactory to the  
15 insurer."

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

18 "**§431:10A-201 Definitions.** For the purposes of this  
19 article:

20 (1) (A) [~~Blanket~~] "Blanket disability insurance [~~policy~~]  
21 policy" means any policy or contract of accident  
22 and health or sickness insurance which conforms



1 with the description and complies with one of the  
2 following requirements:

3 (i) A policy issued to any common carrier of  
4 passengers, which carrier shall be deemed  
5 the policyholder, covering a group defined  
6 as all persons who may become [~~such~~]  
7 passengers, and whereby [~~such~~] the  
8 passengers shall be insured against loss or  
9 damage resulting from death or bodily injury  
10 either while, or as a result of, being  
11 [~~such~~] passengers[-];

12 (ii) A policy issued in the name of any volunteer  
13 fire department, first aid or ambulance  
14 squad, or volunteer police organization,  
15 which shall be deemed the policyholder, and  
16 covering all the members of [~~any~~] such  
17 organization against loss from accidents  
18 resulting from hazards incidental to duties  
19 in connection with such organizations[-];

20 (iii) A policy issued in the name of any  
21 established organization whether  
22 incorporated or not, having community



1 recognition and operated for the welfare of  
2 the community and its members and not for  
3 profit, which shall be deemed the  
4 policyholder, and covering all volunteer  
5 workers who serve without pecuniary  
6 compensation and the members of the  
7 organization, against loss from accidents  
8 occurring while engaged in the actual  
9 performance of duties on behalf of [such]  
10 the organization or in [~~the~~] its activities  
11 [~~thereof.~~];

12 (iv) A policy issued to an employer, who shall be  
13 deemed the policyholder, covering any group  
14 of employees defined by reference to  
15 exceptional hazards incident to [such]  
16 employment, insuring [such] the employees  
17 against death or bodily injury resulting  
18 while, or from, being exposed to [such] the  
19 exceptional hazards [-];

20 (v) A policy covering students or employees  
21 issued to a college, school, or other  
22 institution of learning or to the head or



1 principal thereof, who or which shall be  
2 deemed the policyholder[-]; or

3 (vi) A policy issued to a substantially similar  
4 group who, in the discretion of the  
5 commissioner, may be properly eligible for  
6 blanket disability insurance.

7 (B) Nothing in this section shall be deemed to affect  
8 the liability of policyholders for the death of  
9 or injury to, any [~~such~~] member of [~~such~~] a  
10 specified 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~~] "employee" shall be deemed to  
15 include as employees of a single employer, 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]~~ "employees" shall include the individual  
2           proprietor or partners if the employer is an  
3           individual proprietor or a partnership. The term  
4           ~~[employee]~~ "employee" may be deemed to include retired  
5           employees.

6           (3) The term ~~[employer]~~ "employer" shall be deemed to  
7           include any municipal corporation or governmental  
8           unit, agency, or department thereof as well as private  
9           individuals, firms, corporations, and other persons.

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

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

18          (B) An automobile club formed for purposes other than  
19          obtaining group insurance, covering the members  
20          of the club."

21          SECTION 3. Statutory material to be repealed is bracketed  
22          and stricken. New statutory material is underscored.



# S.B. NO. 2596

1 SECTION 4. This Act shall take effect on July 1, 2010.

2

INTRODUCED BY: Rosemary H Baker



**Report Title:**

Group Life Insurance Policies

**Description:**

Specifies conditions for group life insurance policies offered or delivered within the State.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

