
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 432:2-704, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Nothing contained in this article shall be [sø]
4 construed as to affect or apply to:

5 (1) Grand or subordinate lodges of societies, orders, or
6 associations now doing business in this State [which]
7 that provide benefits exclusively through local or
8 subordinate lodges;

9 (2) Orders, societies, or associations [which] that admit
10 to membership only persons engaged in one or more
11 crafts or hazardous occupations[~~7~~] in the same or
12 similar lines of business[~~7-insuring~~] that insure only
13 their own members [~~and their~~], members' families, and
14 the ladies' societies or ladies' auxiliaries to [such]
15 the orders, societies, or associations;

16 (3) Domestic societies [which] that limit their membership
17 to employees of a particular city or town, designated
18 firm, business house, or corporation [which] that



1 provide for a death benefit of not more than \$400 or
2 disability benefits of not more than \$350 to any
3 person in any one year, or both; [~~or~~]

4 (4) Domestic societies or associations of a purely
5 religious, charitable, or benevolent description,
6 [~~which~~] that provide for a death benefit of not more
7 than \$400 or [~~for~~] disability benefits of not more
8 than \$350 to any one person in any one year, or
9 both~~[or]~~; or

10 (5) Any association, whether a fraternal benefit society
11 or not; provided that:

12 (A) The association was organized before 1880;

13 (B) The association's membership consists of active,
14 retired, or honorably discharged members of the
15 armed forces of the United States, including
16 officers or enlisted members and regular or
17 reserve members; and

18 (C) A principal purpose of the association is to
19 provide insurance and other benefits to its
20 members and their dependents or beneficiaries."

21 SECTION 2. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



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

2



Report Title:

Insurance; Fraternal Benefit Societies; Armed Forces

Description:

Exempts from insurance code, associations organized before 1880 with only members who are active, retired, or honorably discharged members of the U.S. armed forces and whose principal purpose is to provide specified benefits to members. (SD1)

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