
A BILL FOR AN ACT

RELATING TO LIFE INSURANCE POLICIES.

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

1 SECTION 1. Section 431:10-206, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§431:10-206 Application for insurance: consent of**
4 **insured required.** No life insurance or accident and health or
5 sickness insurance contract upon an individual shall be made or
6 effectuated by the individual or any other individual or
7 employer unless at the time of the making of the contract the
8 individual insured, being of competent legal capacity to
9 contract, applies for or consents to the insurance in writing,
10 except in the following cases:

11 (1) A spouse may effectuate such insurance upon the other
12 spouse[-]; and

13 (2) Any person having an insurable interest in the life of
14 a minor, or any person upon whom a minor is dependent
15 for support and maintenance, may effectuate insurance
16 upon the life of or pertaining to the minor.



1 This section shall not apply to contracts of group life
2 insurance or of group or blanket disability insurance as defined
3 in this code."

4 SECTION 2. Section 431:10D-202, Hawaii Revised Statutes,
5 is amended by amending subsection (a) to read as follows:

6 "(a) The lives of a group of individuals may be insured
7 under a policy issued to an employer, or to the trustees of a
8 fund established by an employer, which employer or trustee is
9 deemed the policyholder, insuring employees of the employer for
10 the benefit of persons other than the employer; provided that if
11 the entire cost of the insurance has been borne by the employer
12 and the employer uses the benefits for the purpose of purchasing
13 employer securities distributed to employees from a pension,
14 profit sharing, stock bonus, or employee stock ownership plan
15 which has been qualified under [~~section~~] Section 401 of the
16 Internal Revenue Code, benefits may be made payable to the
17 employer; provided further that the employer:

18 (1) Notifies the employee in writing that the employer
19 intends to insure the employee's life and amount for
20 which the employee is to be insured at the time the
21 contract is issued;



- 1 (2) Notifies the employee that the employer is the
2 intended beneficiary of the insurance; and
3 (3) Obtains the employee's written consent."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

7

INTRODUCED BY: _____

Stem

JAN 21 2011



Report Title:

Life Insurance; Employer and Employee; Consent and Notice

Description:

Prohibits employers from taking a life insurance policy on any employee or group of employees where the employer has not given notice or obtained written consent of the employee insured.

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

