

JAN 21 2011

A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 431:10C-111, Hawaii Revised Statutes,
2 is amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) An insurer may not cancel or refuse to renew a motor
5 vehicle insurance policy, including optional additional
6 insurance under the requirements of section 431:10C-302, once
7 issued except when:

8 (1) The license of the principal operator to operate
9 the type of motor vehicle is suspended or
10 revoked;

11 (2) Premium payments for the policy are not made
12 after reasonable demand therefor;

13 (3) The nonrenewal or conditional renewal is limited
14 in accordance with section 431:10C-111.5; [~~or~~]

15 (4) A motor vehicle insurance policy has been in
16 effect for sixty days or less and cancellation of
17 the policy is not based on any of the criteria



1 prohibited by subsection (c) ~~[-]~~; or
2 (5) The policy is transferred to an affiliate or
3 subsidiary of the insurer, and such transfer will
4 result in a lower premium rate than would
5 otherwise be available under the original
6 policy."

7 2. By amending subsection (d) to read:

8 "(d) An insurer may also refuse to renew motor vehicle
9 insurance policies:

10 (1) If the commissioner determines that the financial
11 soundness of the insurer would be impaired by the
12 writing of additional policies of insurance; or

13 (2) ~~[The]~~ If the insurer ceases to write any new
14 policies of insurance of any kind in this
15 ~~[State-]~~ state."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

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

19

INTRODUCED BY: 



Report Title:

Motor Vehicle Insurance; Cancellation

Description:

Allows an insurer to cancel or refuse to renew a motor vehicle policy where the policy is transferred to a subsidiary or affiliate of the insurer, and the premium rate is reduced by the transfer.

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