
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 so
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, in the same or
12 similar lines of business, insuring only their own
13 members and their families, and the ladies' societies
14 or ladies' auxiliaries to such orders, societies, or
15 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, which
6 provide for a death benefit of not more than \$400 or
7 for disability benefits of not more than \$350 to any
8 one person in any one year, or both[~~-~~]; or

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

11 (A) The association was organized before 1880;

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

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

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 Statutory material to be repealed is bracketed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

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



Report Title:

Insurance; Fraternal Benefit Societies

Description:

Exempts from insurance code, associations (1) Organized before 1880; (2) Whose members are active, retired, or honorably discharged members of the U.S. armed forces or sea services; and (3) Whose principal purpose is to provide insurance and other benefits to their members. (SB1484 HD2)

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