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## A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. The legislature finds that consumer protection  
2 is extremely important to the State and that the roles of  
3 adjusters and public adjusters under the insurance code need to  
4 be amended to protect the interests of the people of Hawaii.

5           The purpose of this Act is to make amendments to the  
6 definitions of "adjuster" and "public adjuster" and to add  
7 definitions for "insurance appraiser" and "insurance umpire" in  
8 the insurance code to protect the interests of the people of  
9 Hawaii.

10          SECTION 2. Section 431:9-105, Hawaii Revised Statutes, is  
11 amended as follows:

12           1. By adding two new definitions to be appropriately  
13 inserted and to read:

14           "Insurance appraiser" means a person that is appointed by  
15 either the insured or the insurer as may be further defined in  
16 the policy's appraisal clause and who shall be competent and  
17 well-versed in chapter 431.



1       "Insurance umpire" means a person who is appointed by both  
2 of the insurance appraisers per the policy and shall be  
3 competent and well-versed in chapter 431 and who serves as the  
4 neutral individual bound by the disclosure requirements set  
5 forth in section 658A-12."

6       2. By amending the definition of "adjuster" to read:

7       ""Adjuster":

8       (1) Means any individual who:

9           (A) Acts solely on behalf of either the insurer or  
10           the insured, as an independent contractor or as  
11           an employee of an independent contractor; and

12           (B) Investigates for, reports to, or adjusts for the  
13           individual's principal relative to claims arising  
14           under insurance contracts; but

15       (2) Does not include an individual who is:

16           (A) An attorney at law who adjusts insurance losses  
17           from time to time incidental to the practice of  
18           the attorney's profession;

19           (B) An adjuster of marine losses;

20           ~~[(C) A salaried employee of an insurer or salaried~~  
21           ~~employee of an adjusting corporation or an~~



1                   ~~association owned or controlled by an insurer,]~~

2                   or

3       [~~(D)~~] (C) An individual who acts for a self-insurer or for  
4                   an insured that administers its own group  
5                   insurance contract."

6           3. By amending the definition of "public adjuster" to  
7 read:

8       "Public adjuster" ~~[means]~~ :

9       (1) Means any individual who is an adjuster employed by  
10           and solely representing the financial interests of the  
11           insured named in the policy~~[-]~~; but

12       (2) Does not include an individual who is:

13       (A) A person, contractor, consultant, or third party  
14           entity, who, for a fee or other compensation or  
15           benefit, adjusts or estimates or acts as a third  
16           party for an insurer or for the insured involving  
17           an insurance claim;

18       (B) A person, contractor, consultant, or third party  
19           entity, who, for a fee or compensation or other  
20           type of benefit, acts as an intermediary,  
21           negotiator, or agent between a policyholder



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1                   claimant or beneficiary and that of the insurer  
 2                   in any manner.

3           These "public adjuster" exclusions shall not preclude any  
 4 scope of engagement as that of appointed insurance appraisers or  
 5 that of an insurance umpire, as may be further defined in the  
 6 policy."

7           SECTION 3. Statutory material to be repealed is bracketed  
 8 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

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**Report Title:**

Insurance; Adjuster; Public Adjuster

**Description:**

Amends definitions of "adjuster" and "public adjuster". Adds definitions for "insurance appraiser" and "insurance umpire".

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