
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 role of
3 insurance adjusters under the insurance code may need to be
4 regulated to better protect the interests of the people of
5 Hawaii.

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

8 1. By adding two new definitions to be appropriately
9 inserted and to read:

10 "Insurance appraiser" means an individual that is
11 appointed by either the insured or the insurer as may be further
12 defined in a policy's appraisal clause and who is competent and
13 well-versed in the insurance code.

14 "Insurance umpire" means an individual, appointed by both
15 insurance appraisers per an insurance policy, who shall be
16 competent and well-versed in the insurance code and who shall



1 serve as the neutral individual bound by the disclosure
2 requirements as set forth in section 658A-12."

3 2. By amending the definition of "adjuster" to read as
4 follows:

5 "Adjuster":

6 (1) Means any individual who:

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

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

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

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

17 (B) An adjuster of marine losses;

18 (C) A salaried employee of an insurer ~~[or salaried~~
19 ~~employee of an adjusting corporation or an~~
20 ~~association owned or controlled by an insurer];~~

21 or



1 (D) An individual who acts for a self-insurer or for
2 an insured that administers its own group
3 insurance contract."

4 3. By amending the definition of "public adjuster" to
5 read:

6 "Public adjuster" means an adjuster employed by and solely
7 representing the financial interests of the insured named in the
8 policy. "Public adjuster" does not include an unlicensed
9 individual who is:

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

15 (2) Any person, contractor, consultant, or third party
16 entity, who, for a fee or other compensation or
17 benefit, acts as an intermediary, negotiator, or agent
18 between a policyholder, claimant, or beneficiary and
19 an insurer in any manner;

20 provided that the exclusions contained in paragraphs (1) and (2)
21 shall not preclude the scope of engagement of any party-



1 appointed insurance appraiser or that of an insurance umpire as
2 defined in the policy."

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

5 SECTION 4. This Act shall take effect on July 1, 2099.



Report Title:

Insurance Code; Adjusters

Description:

Clarifies who may not be considered an adjuster or public adjuster under Article 9 of the Insurance Code. Adds definitions of "insurance appraiser" and "insurance umpire".
(HB1421 HD1)

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