
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 432:1-407, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Net worth requirements are as follows:

4 (1) Before issuing a certificate of authority pursuant to
5 section 432:1-301, the commissioner shall require that
6 the mutual benefit society has an initial net worth of
7 \$2,000,000 and the society shall thereafter maintain
8 the minimum net worth required under paragraph (2);
9 and

10 (2) Every mutual benefit society shall maintain a minimum
11 net worth equal to the greater of:

12 (A) \$2,000,000;

13 (B) Two per cent of annual premium revenues as
14 reported on the most recent annual financial

15 statement filed with the commissioner on the
16 first \$150,000,000 of premium revenues and one



H.B. NO. 1306

1 per cent of annual premium revenues on the
 2 premium revenues in excess of \$150,000,000; or
 3 (C) An amount equal to eight per cent of the sum of
 4 annual health care expenditures and operating
 5 expenses as reported on the most recent financial
 6 statement filed with the commissioner.

7 For the purposes of subparagraphs (B) and (C), the
 8 annual gross premium revenues and gross annual health
 9 care expenditures shall be reduced by the total amount
 10 thereof ceded to reinsurers by the mutual benefit
 11 society; provided that the reinsurance credit taken
 12 complies with sections 431:4A-101 through 431:4A-104
 13 and the administrative rules adopted thereunder by the
 14 commissioner."

15 SECTION 2. New statutory material is underscored.

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

17

INTRODUCED BY: *Jan*

JAN 24 2019

H.B. NO. 1306

Report Title:

Mutual Benefit Societies; Credit for Reinsurance

Description:

Provides a credit for reinsurance to mutual benefit societies.

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

