

JAN 24 2019

---

---

# 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



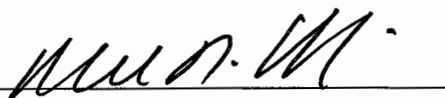
1                per cent of annual premium revenues on the  
2                premium revenues in excess of \$150,000,000; or  
3        (C)    An amount equal to eight per cent of the sum of  
4                annual health care expenditures and operating  
5                expenses as reported on 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: 

**By Request**



# S.B. NO. 1322

**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.*

