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# A BILL FOR AN ACT

RELATING TO BUSINESS REGULATION.

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

1           SECTION 1. The legislature finds that certain insurers in  
2 the State that enjoy generous tax breaks have compensated their  
3 top executives and board members handsomely, while  
4 simultaneously cutting the jobs of many rank-and-file employees  
5 in company restructurings. The legislature further finds that  
6 the unwillingness of many of these insurers to disclose the  
7 compensation of their top executives and board members has  
8 raised questions regarding corporate accountability and has led  
9 to an erosion of public trust.

10           Therefore, the purpose of this Act is to provide increased  
11 accountability and oversight of executive compensation by  
12 authorizing the insurance commissioner to approve certain  
13 insurer salary increases.

14           SECTION 2. Section 431:2-201, Hawaii Revised Statutes, is  
15 amended by amending subsection (c) to read as follows:

16           "(c) The commissioner may:



- 1           (1) Make reasonable rules for effectuating any provision  
2           of this code, except those relating to the  
3           commissioner's appointment, qualifications, or  
4           compensation. The commissioner shall adopt rules to  
5           effectuate article 10C of chapter 431, subject to the  
6           approval of the governor's office and the requirements  
7           of chapter 91;
- 8           (2) Conduct examinations and investigations to determine  
9           whether any person has violated any provision of this  
10          code or to secure information useful in the lawful  
11          administration of any provision;
- 12          (3) Require applicants to provide fingerprints and pay a  
13          fee to allow the commissioner to make a determination  
14          of license eligibility after obtaining state and  
15          national criminal history record checks from the  
16          Hawaii criminal justice data center and the Federal  
17          Bureau of Investigation;
- 18          (4) Require, upon reasonable notice, that insurers report  
19          any claims information the commissioner may deem  
20          necessary to protect the public interest; [~~and~~]



1 (5) Upon showing of good cause, waive or modify, in whole  
2 or part, any or all fees by order[~~-~~]; and

3 (6) Require pre-approval from the commissioner for any  
4 salary increase granted to any person receiving from  
5 an insurer a salary exceeding \$1,000,000."

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

8 SECTION 4. This Act shall take effect on July 1, 2040.



**Report Title:**

Insurance; Insurance Commissioner; Insurers; Salary Increases;  
Pre-Approval

**Description:**

Authorizes the Insurance Commissioner to require the  
Commissioner's pre-approval for certain salary increases granted  
to any person receiving a salary over a certain amount from an  
insurer. Takes effect 7/1/2040. (SD2)

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

