

# S.B. NO. 1369

JAN 23 2025

## A BILL FOR AN ACT

RELATING TO TITLE 24, HAWAII REVISED STATUTES.

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

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

"(g) Each domestic mutual benefit society shall prepare and submit for review by the commissioner on or before the forty-fifth day ~~[of]~~ after each ~~[quarter,]~~ of the first three calendar quarters, and for the fourth calendar quarter ending December 31, on or before the next March 1, a copy of its quarterly net solvency report verified by at least two principal officers. The commissioner may prescribe the forms on which the reports are to be prepared. Each domestic mutual benefit society shall maintain a copy of its current net solvency report on the premises of its primary place of business. The commissioner may order an examination, subject to article 2 of chapter 431, to determine whether a domestic mutual benefit society is in compliance with this section. Any domestic mutual benefit society that fails or refuses to prepare or ~~[produce]~~ submit for review the quarterly net solvency report as required

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1 by this subsection shall be liable for a penalty in an amount  
2 not less than \$100 and not more than \$500 per day."

3 SECTION 2. Section 432D-8, Hawaii Revised Statutes, is  
4 amended by amending subsection (g) to read as follows:

5 "(g) Each health maintenance organization shall prepare  
6 and submit for review by the commissioner on or before the  
7 forty-fifth day ~~[of]~~ after each ~~[quarter,]~~ of the first three  
8 calendar quarters, and for the fourth calendar quarter ending  
9 December 31, on or before the next March 1, a copy of its  
10 quarterly net solvency report verified by at least two principal  
11 officers. The commissioner may prescribe the forms on which the  
12 reports are to be prepared. Every health maintenance  
13 organization shall maintain a copy of its current net solvency  
14 report on the premises of its primary place of business. The  
15 commissioner may order an examination, subject to article 2 of  
16 chapter 431, to determine whether a health maintenance  
17 organization is in compliance with this section. Any health  
18 maintenance organization that fails or refuses to prepare or  
19 ~~[produce]~~ submit for review the quarterly net solvency report as  
20 required by this subsection shall be liable for a penalty in an  
21 amount not less than \$100 and not more than \$500 per day."

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SECTION 3. Section 432G-6, Hawaii Revised Statutes, is amended by amending subsections (g) and (h) to read as follows:

"(g) Each dental insurer shall prepare and submit for review by the commissioner on or before the forty-fifth day ~~[of]~~ after each [quarter,] of the first three calendar quarters, and for the fourth calendar quarter ending December 31, on or before the next March 1, a copy of its quarterly net solvency report verified by at least two principal officers. The commissioner may prescribe the forms on which the reports are to be prepared. Every dental insurer shall maintain a copy of its current net solvency report on the premises of its primary place of business.

(h) The commissioner may order an examination, subject to article 2 of chapter 431, to determine whether a dental insurer is in compliance with this section. Any dental insurer that fails or refuses to prepare or ~~[produce]~~ submit for review the quarterly net solvency report or any of the documents as required by this section shall be liable for a penalty pursuant to section 432G-4(c)."

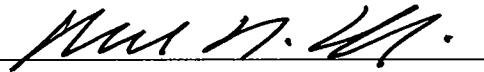
SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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1           SECTION 5. This Act, upon its approval, shall take effect  
2 on October 1, 2025.

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INTRODUCED BY: 

5

BY REQUEST

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**Report Title:**

Insurance; Net Solvency Report

**Description:**

Provides amendments to net solvency report filing requirements for mutual benefit societies, dental insurers, and health maintenance organizations. Effective 10/1/2025.

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

## JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO TITLE 24,  
HAWAII REVISED STATUTES.

PURPOSE: To change the filing dates of quarterly net solvency reports for mutual benefit societies, health maintenance organizations, and dental insurers so that the fourth quarter filing deadline falls on March 1 of the next year.

MEANS: Amend sections 432:1-407(g), 432D-8(g), and 432G-6(g) and (h), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Currently, fourth quarter net solvency reports for mutual benefit societies, health maintenance organizations are due on February 14, while annual blank filings are due March 1.

Impact on the public: Aligning the due dates for fourth quarter net solvency reports for mutual benefit societies, health maintenance organizations, and dental insurers with the due date for annual blank filings will allow these entities, from whom the public obtains coverage, to more efficiently complete the relevant filings, thereby reducing their compliance burden.

Impact on the department and other agencies: This bill will allow the Department to more efficiently regulate mutual benefit societies, health maintenance organizations, and dental insurers.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-106.

OTHER AFFECTED  
AGENCIES:

None.

EFFECTIVE DATE:

October 1, 2025.