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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding a new section to article 10, part II, to be  
3 appropriately designated and to read as follows:  
4           "§431:10-     Payment of proceeds or claims by mail; lost,  
5 destroyed, or stolen checks; remedies. (a) Whenever a policy  
6 allows and the insurer chooses to pay the proceeds of or a claim  
7 under the policy by issuing a check, the check shall be  
8 delivered by way of United States certified mail, restricted  
9 delivery, postage prepaid, return receipt requested, to the last  
10 known address of the insured or designated beneficiary.  
11           (b) The insurer who chooses to pay the proceeds of or a  
12 claim under the policy pursuant to subsection (a) shall not be  
13 relieved of its obligation to pay the proceeds or claim until it  
14 receives a sworn affidavit from the insured or designated  
15 beneficiary confirming receipt of the check.  
16           (c) If a check delivered pursuant to subsection (a) is  
17 lost, destroyed, or stolen, the insured or designated



1 beneficiary may submit a written request to the insurer to  
2 reissue the check; provided that:

3 (1) The insured or designated beneficiary is the payee of  
4 the check; and

5 (2) The request contains or is accompanied by a sworn  
6 declaration under penalty of perjury that insured or  
7 designated beneficiary cannot reasonably obtain  
8 possession of the check because the check was  
9 destroyed, its whereabouts cannot be determined, or it  
10 is in the wrongful possession of an unknown person or  
11 a person that cannot be found or is not amenable to  
12 service of process.

13 (d) If a request for reissuance of a check is submitted in  
14 accordance with subsection (c), the insurer shall reissue and  
15 deliver the check pursuant to subsection (a); provided that if  
16 the insurer incurred losses as a result of reissuing the check,  
17 the insurer may assert a claim to the amount of the check by a  
18 communication to the obligated bank pursuant section 490:3-312.

19 (e) For the purposes of this section, "check" means a  
20 cashier's check, teller's check, or certified check."

21 SECTION 2. New statutory material is underscored.



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

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INTRODUCED BY:



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# S.B. NO. 142

**Report Title:**

Insurance Contracts; Payment of Proceeds and Claims by Mail;  
Lost, Destroyed, or Stolen Checks; Remedies

**Description:**

Requires insurers who choose to pay the proceeds of or a claim under an insurance policy by issuing a check to deliver the check by certified mail, restricted delivery, postage prepaid, return receipt requested, to the last known address of the person designated in the policy as being entitled to the insured or designated beneficiary. Establishes that insurers who choose to pay the proceeds of or a claim under an insurance policy by issuing a check shall not be relieved of their obligation to pay the proceeds or claim until they receive a sworn affidavit from the insured or designated beneficiary confirming receipt of the check. Establishes remedies for claimants if a check is lost, destroyed, or stolen; and for insurers if they incur losses due to reissuing the check.

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

