
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 10E to be
3 appropriately designated and to read as follows:

4 "§431:10E- Payment of proceeds involving mortgaged
5 property. (a) When a homeowners insurance policy that covers a
6 mortgaged property allows for the payment of proceeds by issuing
7 a check, the insured may authorize the insurer to electronically
8 deliver the check to the insured's mortgagee.

9 (b) A mortgagee in receipt of electronic delivery of a
10 claim check pursuant to subsection (a) shall deliver the
11 proceeds of the claim to the insured in accordance with the
12 mortgage agreement and the insurance policy.

13 (c) For the purposes of this section, "check" has the same
14 meaning as defined in section 490:3-104."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Property Insurance; Claims; Payment; Mortgaged Property;
Electronic Delivery

Description:

Allows an insured to authorize the insurer to electronically deliver a claim check to the insured's mortgagee when a homeowners insurance policy that covers a mortgaged property allows for the payment of proceeds by issuing a check. Requires a mortgagee in receipt of electronic delivery of a claim check to deliver the proceeds of the claim to the insured in accordance with the mortgage agreement and the insurance policy. Effective 7/1/2050. (SD1)

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