

ACT 49

A Bill for an Act to Amend Chapter 181 of the Revised Laws of Hawaii 1955 Relating to the Insurance Laws of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 181-259(c) (2) (ii), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(ii) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies—the 1941 standard industrial mortality table for such policies issued prior to the operative date of subparagraph (6) of paragraph (e) of section 181-551 (the Standard Nonforfeiture Law), as amended, and the commissioners 1961 standard industrial mortality table for such policies issued on or after such operative date.”

SECTION 2. Section 181-259(c) (2) (iii), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(iii) For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the 1937 standard annuity mortality table or, at the option of the insurer, the annuity mortality table for 1949, ultimate, or any modification of either of these tables approved by the commissioner.”

SECTION 3. Section 181-259(c) (2), Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting after section 181-259(c) (2) (iii) a new item (iv) to read as follows:

“(iv) For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the group annuity mortality table for 1951, any modification of such table approved by the commissioner, or, at the option of the insurer, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts.”

SECTION 4. Section 181-259(c) (2) (iv), Revised Laws of Hawaii 1955, as amended, is hereby redesignated as section 181-259(c) (2) (v), and amended to read as follows:

“(v) For total and permanent disability benefits in or supplementary to ordinary policies or contracts—for policies or contracts issued on or after January 1, 1966, the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the society of actuaries, with due regard to the type of benefit; for policies or contracts issued on or after January 1, 1961 and prior to January 1, 1966, either such tables or, at the option of the insurer, the class (3) disability table (1926); and for policies issued prior to January 1, 1961, the class (3) disability table (1926). Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.”

SECTION 5. Section 181-259(c) (2) (v), Revised Laws of Hawaii 1955, is hereby redesignated as section 181-259(c) (2) (vi), and amended to become section 181-259(c) (2) (vi) and to read as follows:

“(vi) For accidental death benefits in or supplementary to policies—for policies issued on or after January 1, 1966, the 1959 accidental death benefits table; for policies issued on or after January 1, 1961 and prior to January 1, 1966, either such table or, at the option of the insurer, the inter-company double indemnity mortality table; and for policies issued prior to January 1, 1961, the inter-company double indemnity mortality table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.”

SECTION 6. Section 181-259(c) (2) (vi), Revised Laws of Hawaii 1955, as amended, is hereby redesignated as section 181-259(c) (2) (vii).

SECTION 7. Section 181-551(e) (i), Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the first word “The” and substituting therefor, the following:

“Except as provided in section 181-551(e) (3a), the”

SECTION 8. Section 181-551(e) (2), Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the word “level” in the first sentence and substituting therefor the word “uniform.”

SECTION 9. Section 181-551(e) (3), Revised Laws of Hawaii

1955, as amended, is hereby amended by deleting the word "level" therein and substituting therefor the word "uniform."

SECTION 10. Section 181-551(e), Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting after subparagraph (3) the following new subparagraph to be designated "(3a)," reading as follows:

"(3a) The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (a) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (b) the adjusted premiums for such term insurance, the foregoing items (a) and (b) being calculated separately and as specified in section 181-551(e) (1), (2) and (3) except that, for the purposes of section 181-551(e) (1) (ii), (iii) and (iv), the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (b) shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a)."

SECTION 11. Section 181-551(e) (4), Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the first two sentences and substituting therefor the following:

"Except as otherwise provided in subparagraphs (5) and (6) of paragraph (e) of this section, all adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the commissioners 1941 standard ordinary mortality table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured, and such calculations for all policies of industrial insurance shall be made on the basis of the 1941 standard industrial mortality table."

SECTION 12. Section 181-551(e), Revised Laws of Hawaii 1955, as amended, is amended by adding thereto the following subparagraph (6):

"(6) In the case of industrial policies issued on or after the operative date of this subparagraph (6) as defined herein, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the commissioners 1961 standard industrial mortality table and the rate of interest, not exceeding three and one-half percent per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits: provided, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioners 1961 industrial extended term insurance table: provided further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be

based on such other table of mortality as may be specified by the insurer and approved by the commissioner. After the effective date of this Act, any insurer may file with the commissioner a written notice of its election to comply with the provisions of this subparagraph (6) after a specified date before January 1, 1968. After the filing of such notice, then upon such specified date (which shall be the operative date of this subparagraph (6) for such insurer), this subparagraph (6) shall become operative with respect to the industrial policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this subparagraph (6) for such insurer shall be January 1, 1968."

SECTION 13. Section 181-551(f), Revised Laws of Hawaii 1955, is hereby amended by redesignating item (5) therein as item (6), by deleting the word "and" at the end of item (4), and by inserting after item (4) a new item (5) to read as follows:

"(5) as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is twenty-six, is uniform in amount after the child's age is one, and has not become paid-up by reason of the death of a parent of the child, and."

SECTION 14. This Act shall take effect upon its approval.
(Approved May 8, 1965.) **H.B. 1011.**