

ACT 47

A Bill for an Act Relating to Group Life Insurance.

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

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The Hawaii Insurance Law is ambiguous as it relates to group life insurance policies. It is ambiguous as to the qualifications required for full coverage of certain classes of persons. This ambiguity in the laws has caused large amounts of group life insurance policies to be issued and purchased in good faith. A recent attorney general's opinion, however, in interpreting the Hawaii Insurance Law, has held that certain types of group insurance coverage in excess of certain amounts were prohibited under existing law. This ruling has rendered large amounts of insurance already issued to be of doubtful validity and much hardship will result unless the law is immediately amended. It is therefore urgent and in the public interest that the insurance law be clarified and that any ambiguity which casts doubt as to the legality of issued group life insurance policies be eliminated.

SECTION 2. Amend section 181-582 of the Revised Laws of Hawaii 1955, as amended, to read:

“Section 181-582. Spouses and dependents of insured individuals.

Any other provision herein to the contrary notwithstanding (a) insurance under any group life insurance policy issued pursuant to groups provided in sections 181-561 through 181-582 herein may be extended to insure the spouse and dependent of the insured individual of such groups in amounts of insurance equivalent to the amount of coverage of the insured individual, provided that in the case of a dependent other than a spouse of the insured individual the amount of insurance for the dependent shall not be in excess of 50 percent of the coverage of the insured individual or \$2,000.00, whichever is lower, and provided further that in the case of a dependent whose age at death is under six months, the amount shall not be in excess of \$100.00.

(b) A dependent shall be a child under 20 years of age of the insured individual. The premiums for the insurance of such spouse or dependent may be paid by the insured individual, by an employer of the insured individual or by the employer and the insured individual jointly or by the policy holder of the group.

(c) For purposes of this section, the term ‘individual’ shall be deemed to include a person or a member of any group provided in sections 181-561 through 181-582 herein.”

SECTION 3. This Act shall take effect upon its approval.
(Approved May 4, 1966.) **H.B. 548.**