

A Bill for an Act Relating to Credit Life Insurance and Credit Disability Insurance.

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

SECTION 1. Section 435-9, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 435-9 Issuance of policies. (a) All policies of credit life insurance and credit disability insurance shall be delivered or issued for delivery in this State only by an admitted insurer and shall be issued only through holders of certificates, licenses, or authorizations issued by the commissioner.

(b) The enrolling of debtors under a group creditor policy and the issuance of certificates of insurance pursuant thereto or the issuing of individual policies by a creditor shall not be considered a sale or solicitation of insurance or the transaction of an insurance business. A limited license issued under section 431-379 shall be required for such acts. An agent’s or broker’s license shall not be required.

(c) A group creditor policy issued by an admitted insurer to a creditor on which the entire premium is paid by the creditor wholly from the creditor’s funds shall be considered a vendor-purchaser relationship and not a principal-agent relationship. Notwithstanding subsection (a), a license shall not be required for the issuance of certificates of insurance under a group creditor policy that is subject to this subsection.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

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

(Approved May 31, 1971.)

* Edited accordingly.