

A Bill for an Act Relating to the Hawaii Insurance Law.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to read:

"Sec. 431- Power to fine. After hearing and in addition to or in lieu of the suspension, revocation or refusal to extend any certificate of authority, the insurance commissioner may levy a fine upon the insurer in amount not less than \$500 and not more than \$25,000. The order levying the fine shall specify the period within which the fine shall be fully paid, and which period shall not be less than thirty nor more than forty-five days from the date of the order. Upon failure to pay any such fine when due, the commissioner shall revoke the insurer's certificate of authority if not already revoked, and the fine shall be recovered in a civil action brought in behalf of the commissioner by the attorney general. Any fine so collected shall be paid by the commissioner to the director of finance for the account of the general fund."

SECTION 2. Section 431-405, Hawaii Revised Statutes, is amended to read:

"Sec. 431-405 Power to fine. After hearing and in addition to or in lieu of the suspension, revocation, or refusal to extend any such license, the insurance commissioner may levy a fine upon the licensee in amount not less than \$100 and not more than \$1,000. The order levying the fine shall specify the period within which the fine shall be fully paid, and which period shall be not less than thirty nor more than forty-five days from the date of the order. Upon failure to pay any such fine when due, the commissioner shall revoke the licenses of the licensee if not already revoked, and the fine shall be recovered in a civil action brought in behalf of the commissioner by the attorney general. Any fine so collected shall be paid by the commissioner to the director of finance for the account of the general fund."

SECTION 3. Section 431-407, Hawaii Revised Statutes, is amended to read:

"Sec. 431-407 Fine in lieu. (a) Upon the hearing of an appeal from an order suspending, revoking, or refusing to extend any license issued under sections 431-361 to 431-407, the court, if it finds that the licensee is guilty of violation of the law and if it deems the suspension, revocation, or refusal too severe a penalty under the facts as found, may impose a fine of not more than \$1,000 in lieu thereof, and payment of the fine within ten days thereafter shall reinstate, restore or extend, the license.

(b) If it appears that a license of the licensee has theretofore been suspended, revoked, or refused for a similar offense, the court shall not have jurisdiction to impose a fine in lieu of the action required by the order appealed from."

SECTION 4. Section 431-707, Hawaii Revised Statutes, is amended to read:

“Sec. 431-707 Penalties. (a) The insurance commissioner may, if he finds any person or organization has violated any provision of the casualty rating law, impose a penalty of not more than \$500 for each violation, but if he finds the violation to be wilful he may impose a penalty of not more than \$5,000 for each such violation. The penalties may be in addition to any other penalty provided by law.

(b) The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by the order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until the order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him unless he modifies or rescinds such suspension, or until the order upon which the suspension is based is modified, rescinded, or reversed.

(c) No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days’ written notice to the person or organization specifying the alleged violation.”

SECTION 5. Section 431-725, Hawaii Revised Statutes, is amended to read:

“Sec. 431-725 Penalties. (a) The insurance commissioner may, if he finds that any person or organization has violated any provision of the fire rating law, impose a penalty of not more than \$500 for each violation but if he finds the violation to be wilful he may impose a penalty of not more than \$5,000 for each such violation. The penalties may be in addition to any other penalty provided by law.

(b) The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by the order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until the order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds the suspension, or until the order upon which the suspension is based is modified, rescinded, or reversed.

(c) No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days’ written notice to such person or organization specifying the alleged violation.”

SECTION 6. Statutory material to be repealed is bracketed. New ma-

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material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 7. This Act shall take effect upon its approval.

(Approved April 28, 1975.)

*Edited accordingly.