

## ACT 98

H.B. NO. 851

A Bill for an Act Relating to the Bond Requirements of Collection Agencies.  
*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 443-9, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 443-9 Bond.** (a) A bond shall be executed by the applicant, as principal, and by a surety insurer authorized by the state insurance commissioner to transact the business of surety insurance, running to the State and conditioned that the licensee shall faithfully, promptly, and truly account and pay within thirty days after the calendar month, to his clients the net proceeds due on all collections made during the calendar month. The bond shall be further conditioned that the licensee will comply with all requirements of this or any other statute now in force or hereafter enacted and any rules and regulations established under this chapter with respect to the duties, conduct, obligations, and liabilities of licensee, and further conditioned that, in the event that a conservator is appointed pursuant to a determination made under section 443-27, and such determination becomes final the licensee shall and will pay the reasonable fees and expenses of the conservator. In addition to any other remedy, every person sustaining any damage resulting from a breach of the conditions of the bond may sue the surety for the recovery of any damages sustained by such person. The bond shall be continuous in form and remain in full force and effect and shall run concurrently with the license period and for any renewals thereof, unless terminated or cancelled by the surety. Termination or cancellation shall not be effective, unless notice thereof is delivered by the surety to the board at least thirty days prior to the date of termination or cancellation. The board shall forthwith give notice thereof to the collection agency affected by the termination or cancellation, which notice shall be by registered or certified mail, with request for return receipt,

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and shall be addressed to the licensees at the addresses shown on the records of the board. The license of any licensee shall be suspended upon termination or cancellation of the bond, unless prior thereto, a new bond has been filed with the board.

(b) The bond of each licensee shall be for \$25,000. However, when an applicant or licensee intends to operate more than one office, under one ownership, one bond shall be equal to the sum of \$25,000 for the first office and \$15,000 for each additional office. In all such cases the board shall determine the facts and set the amount of the bond required.

(c) The form of the bond shall be set and furnished by the board and only on such forms shall the bonds required by subsection (a) be executed.”

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 16, 1975.)

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\*Edited accordingly.