

ACT 231

A Bill for an Act Relating to Insurance.

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

SECTION 1. Act 2, Special Session Laws of Hawaii 1986, section 3, is amended by amending subsections (a), (b), and (c) to read as follows:

“(a) The insurance commissioner shall effect a moratorium and not approve any rate level increase in commercial liability insurance during the period August 1, 1986 to September 30, 1986. Commencing October 1, 1986, all authorized insurers transacting commercial liability insurance in this State shall implement a ten per cent rate reduction from the rates currently on file with the insurance commissioner for all policies containing commercial liability coverage, except motor vehicle and medical malpractice policies, in effect on September 30, 1986, for each new and renewal policy and provide that the new rates will be in effect and filed during the period October 1, 1986 to September 30, 1987. There shall be no exception to the requirements of this subsection, unless the commissioner, pursuant to an insurer’s petition, shall find that the use of the rates required herein by an insurer will be inadequate to the extent that such rates jeopardize the solvency of the insurer required to use such rates.

(b) Commencing on October 1, 1987, all authorized insurers providing commercial liability insurance in this State shall implement a twelve per cent rate reduction for all policies containing commercial liability coverage, except motor vehicle¹ and medical malpractice policies issued by mutual or reciprocal insurers, from the rates in effect on September 30, 1987, for each new and renewal policy, and provide that the new rates will be in effect and filed during the period October 1, 1987 to September 30, 1988.

(c) Commencing on October 1, 1988, all authorized insurers providing commercial liability insurance in this State shall implement a fifteen per cent rate reduction for all policies containing commercial liability coverage, except motor vehicle¹ and medical malpractice policies issued by mutual or reciprocal insurers, from the rates in effect on September 30, 1988, for each new and renewal policy, and provide that the new rates will be in effect and filed during the period October 1, 1988 to September 30, 1989[.]; provided that for purposes of this section, a mutual or reciprocal insurer shall include in any rate filing, information and data regarding the expected impact of the tort reform implemented by sections 11 through 22 of Act 2, First Special Session Laws of Hawaii, 1986.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 23, 1987.)

Note

1. Prior to amendment, “policies” appeared here.