

## ACT 250

S.B. NO. 525

A Bill for an Act Relating to Insurance.

*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 be appropriately designated and to read as follows:

**“§431- Premium waiver provisions; restrictions.** (a) Whenever an insurance policy contains a provision or a rider for the waiver of premiums in the event of the total disability of the named insured, the waiver of premiums shall be applicable throughout the period of total disability or for the balance of the waiver period specified in the policy or the rider, whichever is shorter. To qualify for the premium waiver, the insured shall submit a certificate from a physician who is acceptable to both the insurer and the insured which attests to the insured’s total disability and states the period of total disability. If the period of total disability cannot be established with reasonable medical certainty, the physician shall state an opinion of the period during which the disability is likely to persist. Once a certificate is so submitted to the insurer, the insurer shall not require any further certification during the stated period of disability or probable disability unless there is evidence of a change of circumstances.

(b) The foregoing provision shall apply to all insurance policies in existence on January 1, 1987 and thereafter.

(c) If a claim for premium waiver has been filed after expiration of the grace period specified in the insurance policy, and the qualifying disability has been proved, and the policy owner has demonstrated good faith and honest error justifying the late filing for premium waiver, the company shall refund premiums paid after the date the qualifying disability was diagnosed.”

SECTION 2. New statutory material is underscored.<sup>1</sup>

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

(Approved June 24, 1987.)

**Note**

1. Edited pursuant to HRS §23G-16.5.