

ACT 49

H.B. NO. 2878

A Bill for an Act Relating to Insurance.

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

SECTION 1. Act 347, Session Laws of Hawaii 1987, section 2 is amended by amending section 431:10-202 to read as follows:

“§431:10-202 Definitions. For purposes of this part:

(a) Insurable interest includes only interests as follows:

- (1) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection.
- (2) In the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement, or injury of the individual insured.

- (3) An individual party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of each individual party to the contract and for the purposes of the contract only, in addition to any insurable interest which may otherwise exist as to the life of the individual.
- (4) A charitable organization as defined in section 467B-1 and registered under section 467B-2 has an insurable interest in the life of each proposed insured who joins with said organization in applying for a life insurance policy naming said organization as owner and irrevocable beneficiary.

(b) Policy means the written instrument in which a contract of insurance and any endorsement or addendum thereto is set forth.”

SECTION 2. New statutory material is underscored.

SECTION 5.¹ This Act shall take effect upon its approval.

(Approved May 10, 1988.)

Note

1. So in original.