

ACT 127

H.B. NO. 3416

A Bill for an Act Relating to Life Insurance.

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

SECTION 1. Section 431:1-204, Hawaii Revised Statutes, is amended to read as follows:

“§431:1-204 Life insurance defined. Life insurance is insurance on human lives and insurance appertaining thereto or connected therewith. For the purposes of this code the transacting of life insurance includes the granting of annuities and endowment benefits, except for annuities which are provided by a nonprofit organization or a nonprofit educational foundation for a public educational institution under a charitable gift annuity agreement with a donor[, provided that the charitable gift annuity is purchased by the nonprofit educational foundation from an insurer authorized by the State to offer life insurance]; additional benefits in event of death or dismemberment by accident or accidental means; additional benefits in event of total and permanent disability of the insured; and optional modes of settlement of proceeds.

For purposes of this section, “charitable gift annuity agreement” means a contract under which an individual transfers property to a charity, conditioned upon the right to receive a specific sum of money for life.

For the purposes of this section, a “nonprofit organization” means an organization that meets all of the following requirements:

- (1) Has been granted tax exempt status as a charitable organization by the Internal Revenue Service pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
- (2) Has conducted business in the state continuously for at least ten years;

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- (3) Has a net worth in the state of not less than \$5,000,000;
- (4) Maintains a separate annuity fund with at least one-half of the value of the annuity; and
- (5) Has filed a statement on forms that may be prescribed by the department of commerce and consumer affairs which certify compliance with this section; provided that the statement shall be filed on an annual basis in accordance with rules adopted by the department of commerce and consumer affairs.”

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 Statutory material to be repealed is bracketed.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 8, 1994.)