

ACT 247

H.B. NO. 3711

A Bill for an Act Relating to Insurance.

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

SECTION 1. Section 431:9-221, Hawaii Revised Statutes, is amended to read as follows:

**“§431:9-221 Limitations upon nonresident agent or broker.** A nonresident agent or broker is authorized to place insurance on a subject of insurance located in this State, only under all of the following conditions:

[(1) The insured:

- (A) If an individual, is not domiciled within this State, or
- (B) If a partnership, each partner is not domiciled within this State, or
- (C) If a corporation, is a foreign corporation within the meaning of chapter 415 or is a corporation wholly owned by such a foreign

corporation, or is a corporation formed or organized under the laws of any territory of the United States;

- (2) Any negotiation between the nonresident agent or broker and the insured, leading up to the placement of the insurance, has taken place outside this State; provided that neither item (1) nor this paragraph shall be applicable to insurance of aircraft or cargo of such aircraft, or against liability, other than workers' compensation and employer's liability, arising out of the ownership, maintenance, or use of such aircraft;]
- (1) Applicants for license as nonresident agent or broker shall prior to the issuance of any such license, personally take and pass to the satisfaction of the commissioner an examination given by the commissioner as a test of the applicant's qualifications and competence. The examination shall be the same examination that is mandated of resident agents and brokers;
- (2) In addition to other applicable requirements, the application for a license shall be accompanied by a statement in writing of the insurance supervisory public officer of the nonresident's state of residence showing that the applicant is currently licensed therein as an agent or broker, as the case may be, as to substantially the same kind or kinds of insurance as proposed to be transacted under the Hawaii license applied for;
- (3) The insurance is placed through a licensed general agent in this State of an authorized insurer; and
- (4) The commission paid to the nonresident agent or broker by the licensed general agent in the State does not exceed the usual rate of commission paid to a resident solicitor."

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 Statutory material to be repealed is bracketed.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 18, 1996.)