

ACT 99

H.B. NO. 2359

A Bill for an Act Relating to Insurance.

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

SECTION 1. The Hawaii Property Insurance Association (HPIA) was established in 1991 to assure stability in the property insurance market, assure availability of basic property insurance, and spread the risk of insuring high risk property to all members of the HPIA.

Any insurance company that is authorized to transact property or casualty insurance in Hawaii, and is not engaged only in writing motor vehicle insurance, becomes a member of the HPIA. The HPIA is governed by a board of directors whose responsibilities include control over the organization, management, policies, and activities of the HPIA.

Under existing law, the board of directors of the HPIA is composed of twelve members: nine voting members selected by HPIA members, one voting member appointed by the insurance commissioner to represent insurance agents, and two voting members appointed by the insurance commissioner to represent the general public.

The legislature finds that a more equitable distribution of representation on the HPIA's board of directors is needed to ensure that all affected parties have a voice and vote in handling property insurance matters.

The purpose of this Act is to restructure the membership of the board of directors of the HPIA as follows: eight voting members selected by the member insurers, one voting member appointed by the insurance commissioner to represent insurance agents, and three voting members appointed by the insurance commissioner to represent the general public.

SECTION 2. Section 431:21-104, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The board of directors shall have responsibility and control over the organization, management, policies, and activities of the association. The board of directors of the association shall consist of twelve persons serving terms as established in the plan of operation. The board shall be composed of:

- (1) [Nine] Eight voting members selected by the member insurers;
- (2) One voting member appointed by the commissioner to represent insurance agents; and
- (3) [Two] Three voting members appointed by the commissioner to represent the public.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 12, 1996.)