

## ACT 11

S.B. NO. 124

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 article 10C to be appropriately designated and to read as follows:

**“§431:10C- Replacing motor vehicle insurance policy through an insurer’s affiliate or subsidiary.** An insurer shall be exempt from provisions governing policy cancellations or nonrenewals in sections 431:10C-111, 431:10C-111.5, and 431:10C-112 if:

- (1) The insurer offers to replace the insured’s policy through the insurer’s affiliate or subsidiary;
- (2) The replacement policy is effective upon the expiration of the existing policy;
- (3) The replacement policy provides the same or better coverage, terms, and conditions as the existing policy at a lower premium than the existing policy;
- (4) The insurer provides at least thirty days written notice of the prospective replacement to the insured; provided that the insured may waive notice pursuant to this paragraph; and
- (5) The insured accepts the replacement policy.”

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

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

(Approved April 25, 2011.)