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# A BILL FOR AN ACT

RELATING TO GROUP LIFE INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding a new section to part II of article 10D, to be  
3 appropriately designated and to read as follows:

4           "§431:10D-A Other groups; limits. Group life insurance  
5 offered to a Hawaii resident under a group life insurance policy  
6 issued to a group, other than a group described in sections  
7 431:10D-202 through 431:10D-211, shall be subject to the  
8 following requirements:

9           (1) No group life insurance policy shall be delivered in  
10 this State unless the commissioner finds that:

11           (A) The issuance of the group life insurance policy  
12 is not contrary to the best interest of the  
13 public;

14           (B) The issuance of the group life insurance policy  
15 would result in economies of acquisition or  
16 administration; and



- 1           (C) The benefits of the group life insurance policy  
2                   are reasonable in relation to the premium  
3                   charged;
- 4           (2) No group life insurance coverage may be offered in  
5                   this State, pursuant to this section, by an insurer  
6                   under a group life insurance policy issued in another  
7                   state, unless:
- 8                   (A) The commissioner finds that the requirements of  
9                           paragraph (1) have been met; or
- 10                  (B) The issuing state has requirements substantially  
11                           similar to those contained in paragraph (1) and  
12                           has determined that those requirements have been  
13                           met;
- 14           (3) The premium for a group life insurance policy issued  
15                   pursuant to this section shall be paid by the  
16                   policyholder, by covered persons, or both; and
- 17           (4) An insurer may exclude from coverage or limit the  
18                   coverage on any person as to whom evidence of  
19                   individual insurability is not satisfactory to the  
20                   insurer under a group life insurance policy issued  
21                   pursuant to this section."



1 SECTION 2. Section 431:10A-201, Hawaii Revised Statutes,  
2 is amended to read as follows:

3 "§431:10A-201 Definitions. For the purposes of this  
4 article:

5 ~~[(1) (A)]~~ "Blanket disability insurance policy" means any  
6 policy or contract of accident and health or  
7 sickness insurance which ~~[conforms with the~~  
8 ~~description and complies with one of the~~  
9 ~~following requirements:]~~ does not require  
10 individual applications for covered persons and  
11 is:

12 ~~[(i)]~~ (1) A policy issued to any common carrier  
13 of passengers, which ~~[carrier]~~ shall be  
14 deemed the policyholder, ~~[covering]~~ that  
15 covers a group defined as all persons who  
16 may become ~~[such]~~ passengers ~~[, and whereby~~  
17 ~~such passengers]~~ who shall be insured  
18 against loss or damage resulting from death  
19 or bodily injury either while ~~[,]~~ or as a  
20 result of ~~[,]~~ being ~~[such]~~ passengers ~~[-];~~

21 ~~[(ii)]~~ (2) A policy issued in the name of any  
22 volunteer fire department, first aid or



1 ambulance squad, or volunteer police  
2 organization, which shall be deemed the  
3 policyholder, ~~[and covering]~~ that covers all  
4 the members of ~~[any such]~~ the policy holder  
5 organization against loss from accidents  
6 resulting from hazards incidental to duties  
7 in connection with such organizations~~[-]~~;

8 ~~[(iii)]~~ (3) A policy issued in the name of any  
9 established organization, whether  
10 incorporated or not, ~~[having]~~ that is  
11 recognized by the community ~~[recognition~~  
12 ~~and]~~ as being operated for the welfare of  
13 the community and its members and not for  
14 profit, which shall be deemed the  
15 policyholder, ~~[and covering]~~ that covers all  
16 volunteer workers who serve without  
17 pecuniary compensation and the members of  
18 the organization~~[-]~~ against loss from  
19 accidents occurring while engaged in the  
20 actual performance of duties ~~[on behalf of~~  
21 ~~such organization or in the activities~~



1                   ~~thereof.]~~ or activities of the policy holder  
2                   organization;

3                   ~~[(iv)]~~     (4) A policy issued to an employer, who  
4                   shall be deemed the policyholder, ~~[covering]~~  
5                   that covers any group of employees defined  
6                   by reference to exceptional hazards incident  
7                   to ~~[such]~~ employment ~~[, insuring such]~~ and  
8                   that insures employees against death or  
9                   bodily injury resulting ~~[while, or from,~~  
10                  ~~being exposed to such]~~ from or caused by  
11                  exposure to exceptional hazards~~[-]~~;

12                  ~~[(v)]~~     (5) A policy ~~[covering]~~ issued to a  
13                  college, school, institute of learning, or  
14                  to the head or principal of a college,  
15                  school, or institute of learning, which or  
16                  who shall be deemed the policy holder, that  
17                  covers students or employees ~~[issued to a~~  
18                  ~~college, school, or other institution of~~  
19                  ~~learning or to the head or principal~~  
20                  ~~thereof, who or which shall be deemed the~~  
21                  ~~policyholder.]~~ ; or





1 ~~employees shall include]~~, the individual proprietor or  
2 partners if the employer is an individual proprietor  
3 or a partnership[. ~~The term employee may be deemed to~~  
4 ~~include]~~ and if specified by the policy, and retired  
5 employees.

6 [~~(3)~~ ~~The term employer shall be deemed to include]~~

7 "Employer" means any municipal corporation or  
8 governmental unit, agency, or department [~~thereof~~] as  
9 well as private individuals, firms, corporations, and  
10 other persons.

11 [~~(4)~~] "Group disability insurance" means that form of  
12 accident and health or sickness insurance covering  
13 groups of persons, with or without their dependents  
14 and family members, and issued under a master policy  
15 to:

16 [~~(A)~~ ~~Such groups as]~~ (1) Groups that qualify for group  
17 life insurance under [~~+~~]sections[~~+~~] 431:10D-201  
18 to 431:10D-211 and 431:10D-A of this code; or

19 [~~(B)~~] (2) An automobile club formed for purposes other  
20 than obtaining group insurance[~~, covering]~~ that  
21 covers the members of the club."



1           SECTION 3. In codifying the new section added by section 1  
2 of this Act, the revisor of statutes shall substitute an  
3 appropriate section number for the letter used in designating  
4 the new section in this Act.

5           SECTION 4. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7           SECTION 5. This Act shall take effect upon its approval.

8





**Report Title:**

Group Life Insurance; Limits

**Description:**

Requires insurance commissioner approval of the issuance of group life insurance policies that cover other than the listed groups. Expands group disability insurance to include groups other than the listed groups. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

