
A BILL FOR AN ACT

RELATING TO 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 I of article 10C to be
3 appropriately designated and to read as follows:

4 "§431:10C- Payment of general excise tax and certificate
5 of ownership fee on third party claims. (a) When a motor
6 vehicle insurer settles a total loss motor vehicle damage
7 liability claim with a third-party claimant, the insurer shall
8 pay the applicable general excise tax and certificate of
9 ownership fee, subject to section 663-31; provided that if the
10 third-party claimant cannot substantiate the purchase and the
11 payment of the general excise tax and certificate of ownership
12 fee by submitting to the insurer appropriate documentation
13 within thirty-three days after the receipt of settlement, the
14 insurer shall not be required to reimburse the third-party
15 claimant for the tax or fee.

16 (b) In lieu of the procedure in subsection (a), the
17 insurer may directly pay the required general excise tax and



1 certificate of ownership fee to the third-party claimant at the
2 time of settlement.

3 (c) An insurer's obligation to reimburse a third-party
4 claimant for the applicable general excise tax and certificate
5 of ownership fee as set forth in this section shall be subject
6 to the property damage liability limit of the policy."

7 SECTION 2. Section 431:2-403, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) Violation of subsection (a) is a criminal offense and
10 shall constitute:

11 (1) A class B felony if the value of the benefits,
12 recovery, or compensation obtained or attempted to be
13 obtained [~~is more than~~] exceeds \$20,000;

14 (2) A class C felony if the value of the benefits,
15 recovery, or compensation obtained or attempted to be
16 obtained [~~is more than \$300;~~] exceeds \$750; or

17 (3) A misdemeanor if the value of the benefits, recovery,
18 or compensation obtained or attempted to be obtained
19 is [~~\$300 or less.~~] not in excess of \$750."

20 SECTION 3. Section 431:3-212, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§431:3-212 Application for authority. To apply for an
2 original certificate of authority, an insurer shall ~~[+]~~ file with
3 the commissioner a Uniform Certificate of Authority Application
4 from the National Association of Insurance Commissioners that
5 shall set forth or be accompanied by all of the following:

6 (1) ~~[File with the commissioner its]~~ The insurer's request
7 showing:

8 (A) Its name, in compliance with sections 431:3-
9 202(b) and 431:4-104(d)(1), home office location,
10 type of insurer, organization date, ~~[and]~~ state
11 or country of its domicile, and name and location
12 of the principal office of its attorney-in-fact,
13 if a reciprocal insurer;

14 (B) The classes of insurance it proposes to transact;
15 and

16 (C) Additional information as the commissioner may
17 reasonably require ~~[+]~~ .

18 (2) ~~[File with the commissioner+]~~ Documents including the
19 following:

20 (A) A copy of its charter as amended or ~~[such copy]~~
21 certified by the proper public officer of the



- 1 state or country of domicile, if a foreign or
2 alien insurer;
- 3 (B) A copy of its bylaws as amended, certified by its
4 proper officer;
- 5 (C) A copy of its annual statement as of December 31
6 last preceding;
- 7 (D) An appointment of the commissioner as its
8 attorney to receive service of legal process, if
9 a foreign or alien insurer[7] or a domestic
10 reciprocal insurer;
- 11 (E) The name and business address of its authorized
12 resident agent upon whom process may be served in
13 all cases, if a foreign or alien insurer;
- 14 (F) A copy of the appointment and authority of its
15 United States manager, certified by its proper
16 officer, if an alien insurer;
- 17 (G) A certificate from the proper public official of
18 its state or country of domicile showing that it
19 is duly organized and [~~is~~] authorized to transact
20 the classes of insurance proposed to be
21 transacted, if a foreign or alien insurer;



1 (H) The declaration required by section 431:4-409, if
2 a domestic reciprocal insurer;

3 (I) [~~Certificate~~] A certificate of the proper public
4 official as to any deposit made or held in
5 compliance with this code;

6 (J) [~~Copy~~] A copy of the report of the last
7 examination made of the insurer certified by the
8 insurance supervisory official of its state of
9 domicile or entry into the United States, if a
10 foreign or alien insurer; and

11 (K) Other documents or stipulations as the
12 commissioner may reasonably require to evidence
13 compliance with this code [~~and~~].

14 (3) [~~Deposit~~] A deposit with the commissioner of the
15 appropriate fees required by this code."

16 SECTION 4. Section 431:3-212.5, Hawaii Revised Statutes,
17 is amended by amending subsection (b) to read as follows:

18 "(b) Each transferring insurer shall file new policy forms
19 on or before the effective date of the transfer, if such forms
20 are required to be approved by the commissioner. The insurer
21 may use existing policy forms with appropriate endorsements if



1 permitted by ~~[7 and under such conditions as approved by 7]~~ the
 2 commissioner. Every ~~[such]~~ transferring insurer shall notify
 3 the commissioner of the details of the proposed transfer and
 4 shall file promptly a Uniform Certificate of Authority
 5 Application for any resulting amendments to corporate documents
 6 filed or required to be filed with the commissioner."

7 SECTION 5. Section 431:7-101, Hawaii Revised Statutes, is
 8 amended by amending subsection (a) to read as follows:

9 "(a) The commissioner shall collect, in advance, the
 10 following fees:

11 (1) Certificate of authority:

- 12 (A) Application for [a] certificate of authority . \$900
- 13 (B) Issuance of certificate of authority \$600
- 14 (C) Application for motor vehicle self-insurance . \$300

15 (2) Organization of domestic insurers and affiliated
 16 corporations:

- 17 (A) Application for [a] solicitation permit \$1,500
- 18 (B) Issuance of solicitation permit \$150

19 (3) Producer's license:

- 20 (A) Issuance ~~[7]~~ of regular license \$50
- 21 (B) Issuance ~~[7]~~ of temporary license \$50



- 1 (4) Nonresident producer's license: Issuance \$75
- 2 (5) Independent adjuster's license: Issuance \$75
- 3 (6) Public adjuster's license: Issuance \$75
- 4 (7) Claims adjuster's limited license: Issuance \$75
- 5 (8) Independent bill reviewer's license:
- 6 Issuance \$80
- 7 (9) Limited producer's license: Issuance \$60
- 8 (10) Managing general agent's license: Issuance \$75
- 9 (11) Reinsurance intermediary's license:
- 10 Issuance \$75
- 11 (12) Surplus lines broker's license: Issuance \$150
- 12 (13) Service contract provider's registration:
- 13 Issuance \$75
- 14 (14) Approved course provider certificate:
- 15 Issuance \$100
- 16 (15) Approved continuing education course certificate:
- 17 Issuance \$30
- 18 (16) Vehicle protection product warrantor's registration:
- 19 Issuance \$75



- 1 (17) Criminal history record check; fingerprinting: For
- 2 each criminal history record check and fingerprinting
- 3 check, a fee to be established by the commissioner.
- 4 (18) Limited line motor vehicle rental company producer's
- 5 license: Issuance \$1,000
- 6 (19) Legal service plan certificate of authority:
- 7 Issuance before July 1, 2014 \$1,000
- 8 Issuance on or after July 1, 2014 \$500
- 9 (20) Life settlement provider's license:
- 10 Issuance before July 1, 2014 \$150
- 11 Issuance on or after July 1, 2014 \$75
- 12 (21) Life settlement broker's license:
- 13 Issuance before July 1, 2014 \$150
- 14 Issuance on or after July 1, 2014 \$75
- 15 (22) Examination for license: For each examination, a fee
- 16 to be established by the commissioner."

17 SECTION 6. Section 431:9-201, Hawaii Revised Statutes, is
 18 amended by amending subsection (b) to read as follows:

19 "(b) Notwithstanding subsection (a), following a
 20 [~~eatastrophe in this State,~~] declaration by the commissioner
 21 authorizing assistance of nonresident adjusters, a Hawaii



1 license shall not be required of a nonresident adjuster for the
2 adjustment of losses; provided that:

3 (1) The common losses suffered that are to be adjusted are
4 a direct result of [~~the catastrophe~~] an event and
5 [~~shall be~~] are so severe that licensed adjusters and
6 licensed independent adjusters who are residents of
7 this State will be unable to adjust the losses within
8 a reasonable time as determined by the commissioner;

9 (2) The nonresident adjuster provides [~~to~~] the
10 commissioner a certified copy of the adjuster's
11 current license in another state. The other state
12 shall have substantially similar licensing
13 requirements to section 431:9-222; and

14 (3) Within three working days of the commencement of work
15 by the nonresident adjuster, the insurance company,
16 independent adjusting company, or producer that is
17 using the adjuster shall provide on its letterhead to
18 the commissioner:

19 (A) The name of the nonresident adjuster;

20 (B) The nonresident adjuster's Hawaii mailing and
21 business addresses and phone numbers; and



1 (C) The nonresident adjuster's permanent home and
2 business addresses and phone numbers.

3 Upon satisfaction of all of these requirements, the
4 nonresident adjuster may be registered with the commissioner and
5 adjust ~~[catastrophe]~~ the event's losses in this State for up to
6 one hundred twenty days from the date of registration or for a
7 period of time determined by the commissioner, whichever is
8 less.

9 As used in this subsection, [~~"catastrophe"~~] "event" means
10 insured property losses in Hawaii that result from a sudden,
11 specific, and natural or manmade disaster or phenomenon, as
12 determined by the commissioner."

13 SECTION 7. Section 431:9A-102, Hawaii Revised Statutes, is
14 amended by amending the definition of "terminate" to read as
15 follows:

16 "Terminate" means:

17 (1) To cancel the relationship between an insurance
18 producer and an insurer; or

19 ~~[-(2) To cancel the relationship between an appointing
20 producer and another producer; or~~



1 ~~(3)~~ (2) To terminate a producer's authority to transact
2 insurance."

3 SECTION 8. Section 431:9A-114, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§431:9A-114 Appointments.** (a) An insurance producer
6 shall not act as an agent of an insurer unless the [~~insurance~~]
7 producer becomes an appointed agent of that insurer [~~or is~~
8 ~~contracted with and appointed by an insurance producer so~~
9 appointed].

10 (b) To appoint a producer as its agent, the [~~appointing~~]
11 insurer [~~or producer~~] shall file, in a format approved by the
12 commissioner, a notice of appointment within fifteen days from
13 the date the agency or business entity contract is executed or
14 the first insurance application is submitted to the insurer [~~or~~
15 ~~producer~~]. If the appointment form is not received by the
16 commissioner within the fifteen-day period, the appointment
17 shall become effective on the date on which the commissioner
18 receives the appointment form. A producer shall disclose to a
19 client if the conditions of subsection (a) have not been met.
20 An insurer [~~or producer~~] may also elect to appoint a producer to
21 all or some insurers within the insurer's [~~or producer's~~]



1 holding company system or group by filing with the commissioner
2 a single appointment notice.

3 (c) Upon receipt of the notice of appointment and within a
4 reasonable time not to exceed thirty days, the commissioner
5 shall verify that the [insurance] producer is eligible for
6 appointment. If the [insurance] producer is determined to be
7 ineligible for appointment, the commissioner shall notify the
8 appointing insurer [~~or producer~~] within five days of its
9 determination.

10 (d) An appointing insurer [~~or producer~~] shall pay an
11 appointment fee, in the amount and method of payment set forth
12 in article 7, for each [insurance] producer appointed by the
13 appointing insurer [~~or producer~~].

14 (e) An appointing insurer [~~or producer~~] shall remit, in a
15 manner prescribed by the commissioner, a renewal appointment fee
16 in the amount set forth in article 7."

17 SECTION 9. Section 431:9A-115, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "§431:9A-115 Notification to commissioner of termination.

20 (a) An insurer[~~]~~ or its authorized representative [~~of the~~
21 ~~insurer, or a producer~~] that terminates the appointment,



1 employment, contract, or other insurance business relationship
2 with a producer shall notify the commissioner within thirty days
3 following the effective date of the termination, using the
4 applicable format prescribed by the commissioner. An insurer[~~er~~
5 an] or its authorized representative [~~of the insurer, or a~~
6 ~~producer who~~] that terminates a producer for one of the reasons
7 set forth in section 431:9A-112, or [~~who~~] that has knowledge the
8 producer was found by a court, governmental body, or self-
9 regulatory organization to have engaged in any of the activities
10 in section 431:9A-112, shall use the particular format for that
11 situation as prescribed by the commissioner. Upon the written
12 request of the commissioner, [~~the~~] an insurer or its authorized
13 representative that terminates a producer shall provide
14 additional information, documents, records, or other data
15 pertaining to the termination or activity of the producer.

16 (b) [~~The~~] An insurer[~~er~~, ~~an~~] or its authorized
17 representative [~~of the insurer, or~~] that terminates a producer
18 shall promptly notify the commissioner in a format acceptable to
19 the commissioner if, upon further review or investigation, the
20 insurer[~~er~~, ~~an~~] or its authorized representative [~~of the insurer,~~
21 ~~or a producer~~] discovers additional information that would have



1 been reportable to the commissioner in accordance with
2 subsection (a), had the insurer~~[7]~~ or its authorized
3 representative [~~of the insurer, or producer then~~] known of its
4 existence.

5 (c) [~~The~~] An insurer~~[7]~~ and its authorized representative
6 [~~of the insurer, and the~~] that terminate a producer are subject
7 to the following:

8 (1) Within fifteen days after making the notification
9 required by subsections (a) and (b), the insurer~~[7]~~ or
10 its authorized representative [~~of the insurer, or the~~
11 ~~producer~~] shall mail a copy of the notification to the
12 producer at the producer's last known address. If the
13 producer is terminated for any of the causes listed in
14 section 431:9A-112, the insurer~~[7]~~ or its authorized
15 representative [~~of the insurer, or the producer~~] shall
16 provide a copy of the notification to the producer at
17 the producer's last known address by certified mail,
18 return receipt requested, postage prepaid or by
19 overnight delivery using a nationally recognized
20 carrier.



1 (2) Within thirty days after the producer has received the
2 original or additional notification, the producer may
3 file written comments concerning the substance of the
4 notification with the commissioner. The producer, by
5 the same means, shall simultaneously send a copy of
6 the comments to the reporting insurer~~[7]~~ or its
7 authorized representative [~~of the insurer, or the~~
8 ~~producer~~], and the comments shall become [a] part of
9 the commissioner's file and shall accompany every copy
10 of a report distributed or disclosed for any reason
11 about the producer as permitted under subsection
12 [~~(e)~~] (f).

13 (d) A producer initiating the termination is subject to
14 the following:

15 (1) Within fifteen days after making the notification
16 required by subsection (a), the producer shall mail a
17 copy of the notification to the insurer at the
18 insurer's last known address.

19 (2) Within thirty days after the insurer has received the
20 original or additional notification, the insurer may
21 file written comments concerning the substance of the



1 notification with the commissioner. The insurer, by
2 the same means, shall simultaneously send a copy of
3 the comments to the producer, and the comments shall
4 become part of the commissioner's file and shall
5 accompany every copy of a report distributed or
6 disclosed for any reason about the insurer as
7 permitted under subsection (f).

8 ~~[(d)]~~ (e) Immunity from civil liability for notification
9 applies as follows:

10 (1) In the absence of actual malice, an insurer, the
11 insurer's authorized representative, a producer, the
12 commissioner, or an organization of which the
13 commissioner is a member and that compiles the
14 information and makes it available to other
15 commissioners or regulatory or law enforcement
16 agencies shall not be subject to civil liability~~[7]and~~
17 a]. A civil cause of action of any nature shall not
18 arise against these entities or their respective
19 agents or employees~~[7]~~ as a result of [any]:

20 (A) Any statement or information required by or
21 provided pursuant to this section ~~[or any]~~;



1 (B) Any information relating to any statement that
2 may be requested in writing by the
3 commissioner[7] from an insurer or producer; or
4 [~~a~~]

5 (C) A statement by a terminating insurer or producer
6 to an insurer or producer limited solely [~~and~~
7 ~~exclusively~~] to whether a termination under
8 subsection (a) was reported to the commissioner,
9 provided that the propriety of any termination
10 under subsection (a) is certified in writing by
11 an officer or authorized representative of the
12 insurer or producer terminating the relationship.

13 (2) In any action brought against a person that may have
14 immunity under paragraph (1) for making any statement
15 required by this section or for providing any
16 information relating to any statement that may be
17 requested by the commissioner, the party bringing the
18 action shall plead specifically in any allegation that
19 paragraph (1) does not apply because the person making
20 the statement or providing the information did so with
21 actual malice.



1 (3) [~~Paragraphs~~] Paragraph (1) or (2) shall not abrogate
2 or modify any existing statutory or common law
3 privileges or immunities.

4 [~~(e)~~] (f) Confidentiality and privilege from disclosure
5 [~~is~~] are established as follows:

6 (1) Any documents, materials, or other information in the
7 control or possession of the commissioner or [~~any~~] the
8 commissioner's agent [~~of the commissioner that is~~] and
9 furnished by an insurer, a producer, or an employee or
10 agent [~~thereof who is~~] acting on behalf of the insurer
11 or producer, or [~~is~~] obtained by the commissioner,
12 [~~any~~] the commissioner's agent [~~of the commissioner~~],
13 the insurance division, or any employee of the
14 insurance division, in an investigation pursuant to
15 this section shall be confidential and privileged,
16 shall not be subject to chapter 92F, [~~shall not be~~
17 ~~subject to~~] subpoena, [~~shall not be subject to~~] or
18 discovery, and shall not be admissible in evidence in
19 any civil action; provided that the commissioner or
20 the commissioner's designee is authorized to use the
21 documents, materials, or other information in the



1 furtherance of any regulatory or legal action brought
2 as a part of the commissioner's duties.

3 (2) Neither the commissioner nor any person who received
4 documents, materials, or other information while
5 acting under the authority of the commissioner shall
6 be required to testify in any civil action concerning
7 any confidential documents, materials, or information
8 subject to paragraph (1).

9 (3) Any provision to the contrary notwithstanding, the
10 commissioner may:

11 (A) Share documents, materials, or other information,
12 including the confidential and privileged
13 documents, materials, or information subject to
14 paragraph (1), with other state, federal, and
15 international regulatory and law enforcement
16 agencies and authorities, the National
17 Association of Insurance Commissioners, and their
18 affiliates or subsidiaries; provided that the
19 recipient agrees to maintain the confidentiality
20 and privileged status of the document, material,
21 or other information;



- 1 (B) Receive documents, materials, or information,
2 including otherwise confidential and privileged
3 documents, materials, or information, from the
4 National Association of Insurance Commissioners,
5 its affiliates or subsidiaries, and ~~from~~ state,
6 federal, and international regulatory and law
7 enforcement agencies and authorities and shall
8 maintain as confidential or privileged any
9 document, material, or information received with
10 the notice or ~~the~~ understanding that it is
11 confidential or privileged under the laws of the
12 jurisdiction that is the source of the document,
13 material, or information; and
- 14 (C) Enter into agreements governing sharing and use
15 of information consistent with this subsection.
- 16 (4) No waiver of any applicable privilege or claim of
17 confidentiality in the documents, materials, or
18 information shall occur as a result of disclosure to
19 the commissioner under this section or ~~as a result~~
20 ~~of~~ sharing, receiving, or using the information as
21 authorized in paragraph (3).



1 (5) Nothing in this article shall prohibit the
 2 commissioner from releasing final~~[7]~~ adjudicated
 3 actions, including terminations that are open to
 4 public inspection pursuant to section 431:2-209 to a
 5 database or other clearinghouse service maintained by
 6 the National Association of Insurance Commissioners or
 7 its affiliates or subsidiaries.

8 [~~f~~] (g) An insurer, ~~[the]~~ its authorized representative
 9 ~~[of the insurer]~~, or a producer who fails to report as required
 10 ~~[under the provisions of]~~ by this section or who is found to
 11 have reported with actual malice by a court of competent
 12 jurisdiction may, after notice and hearing, have its license or
 13 certificate of authority suspended or revoked and may be fined
 14 in accordance with article 2."

15 SECTION 10. Section 431:15-201, Hawaii Revised Statutes,
 16 is amended to read as follows:

17 "**§431:15-201 Commissioner's summary orders and supervision**
 18 **proceedings.** (a) If, upon examination or at any other time,
 19 the commissioner finds that any domestic insurer requires
 20 supervision because it is in ~~[such]~~ a condition ~~[as to]~~ that
 21 would render the continuance of its business hazardous to the



1 public or to holders of its policies or certificates of
2 insurance, or if the domestic insurer gives its consent, then
3 the commissioner shall issue a supervision order and shall:

4 (1) Notify the insurer of the commissioner's order; and
5 (2) Furnish to the insurer a written list of the
6 commissioner's requirements to abate the
7 commissioner's order. The commissioner shall also
8 proceed, if necessary, against the insurer pursuant to
9 section 431:2-203.

10 (b) During the period of supervision, the commissioner may
11 appoint a supervisor to supervise the insurer[-] and may employ
12 counsel, clerks, and assistants as necessary. The supervisor
13 shall have all the powers and responsibilities granted under
14 this section. Any person appointed under this section shall
15 serve at the pleasure of the commissioner.

16 (c) The compensation of the supervisor, counsel, clerks,
17 and assistants and all expenses of the supervision shall be
18 approved by the commissioner and paid out of the funds or assets
19 of the insurer upon presentation of a detailed account of the
20 expenses filed by the supervisor or other persons employed or
21 appointed by the commissioner. The commissioner may in whole or



1 in part defer payment of expenses due from the insurer pursuant
2 to this section upon a showing that payment would adversely
3 impact the financial condition of the insurer and jeopardize its
4 recovery during supervision. Deferred payments shall be made by
5 the insurer when payment no longer adversely impacts its
6 financial condition.

7 (d) The order appointing a supervisor shall direct the
8 supervisor to enforce orders issued under subsection (a) and
9 [also] may [~~require that~~] prohibit the insurer [~~shall not do~~]
10 from doing any of the following [~~things~~] during the period of
11 supervision without [~~the~~] prior written approval of the
12 commissioner or [~~the~~] supervisor:

- 13 (1) Dispose of, convey, or encumber any of its assets or
14 [its] business in force;
15 (2) Withdraw from any of its bank accounts;
16 (3) Lend any of its funds;
17 (4) Invest any of its funds;
18 (5) Transfer any of its property;
19 (6) Incur any debt, obligation, or liability;
20 (7) Merge or consolidate with another company;
21 (8) Enter into any new reinsurance contract or treaty; or



1 (9) Write any new or renewal business.

2 [~~e~~] (e) Any insurer subject to an order under this

3 section shall comply with the requirements of the commissioner

4 within sixty days from the date the supervision order is served.

5 If the insurer fails to comply within the time specified, the

6 commissioner may institute proceedings under section 431:15-301

7 or section 431:15-306 to have a rehabilitator or liquidator

8 appointed~~[r]~~ or seek to enforce the order pursuant to section

9 431:2-203.

10 [~~d~~] (f) Any insurer subject to an order under this

11 section may request a hearing to review the order. The hearing

12 shall be held as provided in chapter 91, but the request for a

13 hearing shall not stay the effect of the order. The insurer, at

14 any time, may waive said hearing and apply for immediate

15 judicial relief by means of any remedy afforded by law without

16 first exhausting administrative remedies.

17 [~~e~~] (g) During the period of supervision, the insurer

18 may request that the commissioner [~~to~~] review an action taken or

19 proposed to be taken by the supervisor~~[, specifying where the~~

20 ~~action complained of is believed not to be]~~ that the insurer

21 believes is not in the best interest of the insurer.



1 [~~(f)~~] (h) If any person has violated any supervision order
2 issued under this section [~~which as to the person was then still~~
3 ~~in effect~~], the person shall pay a penalty imposed by the
4 circuit court of the first judicial circuit of this State, which
5 shall not [~~to~~] exceed \$10,000 for each violation.

6 [~~(g)~~] (i) The commissioner may apply for, and the court
7 may grant, [~~such~~] restraining orders, preliminary [~~and~~] or
8 permanent injunctions, [~~and~~] or other orders [~~as may be deemed~~
9 ~~necessary and proper~~] to enforce a supervision order.

10 [~~(h)~~] (j) If any person:

11 (1) With authority over or in charge of any segment of the
12 insurer's affairs; or

13 (2) Who exercises control directly or indirectly over
14 activities of the insurer through any holding company
15 or other affiliate of the insurer;

16 knowingly violates any valid order of the commissioner issued
17 under this section and, as a result of the violation, the net
18 worth of the insurer is reduced or the insurer suffers loss it
19 would not otherwise have suffered, the person shall become
20 personally liable to the insurer for the amount of the reduction
21 or loss. The commissioner or supervisor may bring an action on



1 behalf of the insurer in the circuit court of the first judicial
2 circuit of this State to recover the amount of the reduction or
3 loss together with any costs."

4 SECTION 11. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 12. This Act shall take effect on July 1, 2050;
7 provided that sections 7, 8, and 9 shall take effect on
8 January 1, 2019.



Report Title:

Insurance Fraud; Certificate of Authority; Fees; Motor Vehicle Self-insurance; Declaration by the Commissioner; Nonresident Adjusters; Producer Licensing Model Act; Appointments; Notification of Termination; Motor Vehicle Insurance; Third-party Claimant; General Excise Tax; Certificate of Ownership Fee; Supervision

Description:

Increases monetary penalties for insurance fraud for a class C felony and misdemeanor. Clarifies process for insurers applying for an original certificate of authority and transferring insurers amending corporate documents after a transfer. Specifies fee for a certificate of authority for an application for motor vehicle self-insurance. Permits insurance commissioner to issue a declaration before an event that may require the use of nonresident adjusters. Beginning 1/1/2019, conforms producer licensing requirements to the National Association of Insurance Commissioners' Producer Licensing Model Act. Requires a motor vehicle insurer to pay the applicable general excise tax and certificate of ownership fee when settling with a third-party claimant in a total loss claim. Requires certain costs and expenses incurred by the commissioner during supervisory procedures to be paid or reimbursed by insurer assets. Makes housekeeping amendments. (SB953 HD1)

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

