RELATING TO FORMS SUBMITTED TO THE INSURANCE COMMISSIONER.

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

SECTION 1. Section 481R-4, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) Before conducting business in this State or issuing any warranty, a warrantor shall register with the commissioner, on a form prescribed by the commissioner, and shall pay to the commissioner a fee as provided under section 431:7-101. A person who sells or solicits a vehicle protection product, but who is not a warrantor, shall not be required to register with the commissioner as a warrantor.

(b) Warrantor registration records shall be updated annually and shall contain the following information:

(1) The address of the principal office of the warrantor;

(2) The name and address of the warrantor's agent for the service of process in this State, if other than the warrantor;

(3) The identities of the warrantor's executive officer or officers directly responsible for the warrantor's vehicle protection product business;
(4) The name, address, and telephone number of any administrators designated by the warrantor to be responsible for the administration of vehicle protection product warranties in this State; and

(5+) A copy of each warranty form the warrantor proposes to use in this State; and

(6+) A statement that the warrantor is in compliance with the financial security requirements of section 481R-5 and that details how the warrantor intends to meet the requirements, and proof of compliance with the requirements."

SECTION 2. Section 481X-3, Hawaii Revised Statutes, is amended to read as follows:

"[+]§481X-3[+] Registration. (a) Before conducting business in this State, a provider shall register with the commissioner on a form prescribed by the commissioner, and shall pay to the commissioner a fee as provided under section 431:7-101.

(b) Provider registration shall be updated annually and shall contain the following information:

(1) The address of the principal office of the provider;
(2) The name and address of the provider's agent for the service of process in this State, if other than the provider;

(3) The identities of the provider's executive officer or officers directly responsible for the provider's service contract business;

(4) The name, address, and telephone number of any administrators designated by the provider to be responsible for the administration of service contracts in this State; and

[(5) A copy of each service contract form the provider proposes to use in this State; and]

[(6)] (5) A statement that the provider is in compliance with the financial responsibility requirements of section 481X-4 and that details how the provider intends to meet the requirements, and proof of compliance with the requirements."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.
SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: 

BY REQUEST
JAN 22, 2019
Report Title:
Insurance; Insurance Commissioner; Forms; Vehicle Protection
Product Warrantors; Service Contract Providers

Description:
Removes the requirement that a vehicle protection product
warrantor and a service contract provider submit to the
Insurance Commissioner a copy of each warranty or service
contract form proposed for use in the State.

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

TITLE: A BILL FOR AN ACT RELATING TO FORMS SUBMITTED TO THE INSURANCE COMMISSIONER.

PURPOSE: This bill removes the requirement that a vehicle protection product warrantor and a service contract provider submit to the Insurance Commissioner (Commissioner) a copy of each warranty or service contract form proposed for use in the State.

MEANS: Amend sections 481R-4(a) and (b) and 481X-3, Hawaii Revised Statutes.

JUSTIFICATION: The Commissioner does not have the regulatory authority or expertise to approve warrantor forms and service contract forms.

Impact on the public: Eliminating the form submission requirement will prevent any misconception by warrantors, service contract providers, or the public that the Commissioner has inspected and approved warrantor forms and service contract forms.

Impact on the department and other agencies: This bill will reduce DCCA's administrative expenses and obligations to store and scan these forms, over which the Commissioner has no regulatory authority or approval.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-106.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.