

S.B. NO. 1211

JAN 24 2019

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# A BILL FOR AN ACT

RELATING TO FORMS SUBMITTED TO THE INSURANCE COMMISSIONER.

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

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

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

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

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

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

16           (3) The identities of the warrantor's executive officer or  
17 officers directly responsible for the warrantor's  
18 vehicle protection product business;

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1           (4) The name, address, and telephone number of any  
2           administrators designated by the warrantor to be  
3           responsible for the administration of vehicle  
4           protection product warranties in this State; and  
5           ~~[(5) A copy of each warranty form the warrantor proposes~~  
6           ~~to use in this State; and~~  
7           ~~(6)]~~ (5) A statement that the warrantor is in compliance  
8           with the financial security requirements of section  
9           481R-5 and that details how the warrantor intends to  
10          meet the requirements, and proof of compliance with  
11          the requirements."

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

14          " ~~[+] §481X-3 [-]~~ **Registration.** (a) Before conducting  
15          business in this State, a provider shall register with the  
16          commissioner, on a form prescribed by the commissioner, and  
17          shall pay to the commissioner a fee as provided under section  
18          431:7-101.

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

21          (1) The address of the principal office of the provider;

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- 1           (2) The name and address of the provider's agent for the  
2           service of process in this State, if other than the  
3           provider;
- 4           (3) The identities of the provider's executive officer or  
5           officers directly responsible for the provider's  
6           service contract business;
- 7           (4) The name, address, and telephone number of any  
8           administrators designated by the provider to be  
9           responsible for the administration of service  
10          contracts in this State; and
- 11          ~~[(5) A copy of each service contract form the provider~~  
12          ~~proposes to use in this State; and~~
- 13          ~~+(6)]~~ (5) A statement that the provider is in compliance  
14          with the financial responsibility requirements of  
15          section 481X-4 and that details how the provider  
16          intends to meet the requirements, and proof of  
17          compliance with the requirements."

18           SECTION 3. Statutory material to be repealed is bracketed  
19          and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Wm D. Lee.

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BY REQUEST

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**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.*

JUSTIFICATION SHEET

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.

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