HAWAII ADMINISTRATIVE RULES

TITLE 16

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

CHAPTER 175

INSURANCE REGULATION FUND ASSESSMENTS

§16-175-1	Definitions
§16-175-2	Applicability
§16-175-3	Assessment criteria

§16-175-1 Definitions. As used in this chapter:

"Administrative costs" means all costs incident to the management, supervision, or conduct of the insurance division and supporting offices and divisions, including, but not limited to, programs of the insurance division, professional, technical, and personnel costs and other costs incurred to implement and carry out the purposes of title 24. Administrative costs shall consist of line of insurance costs and other insurance division costs.

"Commissioner" means the insurance commissioner of this State.

"Line of insurance costs" means those administrative costs that can be directly attributable to a line or type of insurance as determined by the commissioner.

"Market share" means the percentage of a line or type of insurance that is controlled by an insurer or entity regulated under title 24, as determined by the commissioner.

"Other insurance division costs" means those administrative costs that are not directly attributable to a line or type of insurance as determined by the commissioner.

"Title 24" means title 24 of the Hawaii Revised Statutes ("HRS"). [Eff 2/16/02] (Auth: HRS §431:2-201) (Imp: HRS §431:2-215)

§16-175-2 <u>Applicability.</u> This chapter shall apply to all insurers or entities regulated under title 24, who are subject to the assessment in section

431:2-215, HRS. [Eff 2/16/02] (Auth: HRS §431:2-201) (Imp: HRS §431:2-215)

- §16-175-3 <u>Assessment criteria</u>. (a) An insurer or entity regulated under title 24 and subject to the provisions of section 431:2-215, HRS, shall pay an assessment as determined by the commissioner. The assessment shall be based upon criteria consisting of an insurer's or entity's market share percentage of the line of insurance costs and a pro rata share of the other insurance division costs.
- (b) An insurer's or entity's share of line of insurance costs shall be determined by that insurer's or entity's market share percentage in each line or type of insurance in the State.
 - (1) The insurer's or entity's written premium in each line or type of insurance in the State shall be used to determine the insurer's or entity's market share percentage.
 - (2) Written premium data shall be obtained from the insurer's or entity's filed annual statement for the most recent completed calendar year.
 - (3) If an insurer's or entity's annual statement of written premium of a line is negative, that insurer or entity is considered to have zero premium for the purpose of determining its market share.
 - (4) If the commissioner suspends an insurer's or entity's assessment pursuant to section 431:2-215(e), the remaining insurers or entities in that line or type of insurance will be assessed for that suspended assessment according to their respective market share percentages.
- (c) Each insurer or entity shall be assessed an equal share of the other insurance division costs, which costs shall be charged on a pro rata basis and shall not be based on market share percentage. [Eff 2/16/02] (Auth: HRS §431:2-201) (Imp: HRS §431:2-215)

Chapter 16-175, Hawaii Administrative Rules, on the Summary page dated January 16, 2002, was adopted on January 16, 2002, following a public hearing held on the same date, after public notices were given in The Honolulu Advertiser on December 5, 2001, and the Hawaii State and County Public Notices for the City and County of Honolulu, County of Kauai, County of Maui, and the County of Hawaii on December 3, 2001.

These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

	/s/ Wayne C. Metcalf, III
	WAYNE C. METCALF, III
	Insurance Commissioner
APPROVED AS TO FORM	I: Date: 1/31/02
/s/ James F.	Nagle
Deputy Attorne	-
APPROVED:	Date: 1/31/02
/s/ Kathryn S. M	Matayoshi
KATHRYN S. MATA	
Commerce and Con	nsumer Affairs
APPROVED:	Date: <u>2/05/02</u>
/s/ Benjamin J. BENJAMIN J. CA	
Governo	
State of Ha	
February 6	5, 2002
Filed	

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Adoption of Chapter 16-175 Hawaii Administrative Rules

January 16, 2002

SUMMARY

Chapter 16-175, Hawaii Administrative Rules, entitled "Insurance Regulation Fund Assessments" is adopted.

THIS MATERIAL CAN BE MADE AVAILABLE FOR INDIVIDUALS WITH SPECIAL NEEDS IN BRAILLE, LARGE PRINT OR AUDIO TAPE. PLEASE SUBMIT YOUR REQUEST TO THE INSURANCE DIVISION AT (808) 586-2790.