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HONOLULU, HAWAII 96813

July 8, 2003

Memorandum 2003-2A

TO: Licensed Resident and Non-Resident Producers, State of Hawaii

FR: J.P. Schmidt, Insurance Commissioner

RE: **Appointments and Reporting of Actions**

Act 216, 2001 Sessions Laws of Hawaii based on the National Association of Insurance Commissioners' Producer Licensing Model Act, became effective on July 1, 2002. Producers should familiarize themselves with the new law and the new licensing requirements, including:

APPOINTMENTS

Hawaii Revised Statutes §431:9A-114 provides that Resident and Non-Resident insurance producers shall not act as agents of an insurer unless the insurance producer becomes an appointed agent of that insurer or is contracted with and appointed by an authorized insurance producer.

Except that the sale, solicitation, or negotiation of insurance may take place before the appointment, if the producers disclosed this condition to their clients. However, the insurer **must submit** to the Insurance Commissioner **the notice of appointment within fifteen (15) days of the date the producer submits the first insurance application to the insurer.**

REPORTING OF ACTIONS

Hawaii Revised Statutes §431:9A-117 provides that an insurance producer shall report to the Insurance Commissioner:

- 1) **Any civil or administrative action** taken against the producer in any jurisdiction or by a governmental agency in any state **within thirty days** of the final disposition of the matter;
- 2) **Any criminal prosecution** being taken against the producer in any jurisdiction **within thirty days of arraignment;** and

The report shall include a copy of the initial complaint or indictment filed and any and all other relevant legal documents.

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The new law for producer licensing is codified as Chapter 431, Article 9A, Hawaii Revised Statutes. Formal disciplinary action, including probation, suspension, revocation, or refusal to issue or renew, a civil penalty, or any combination of these actions, may be taken against any and all culpable parties for a violation of these laws.

You may view the Hawaii Revised Statutes or obtain appointment forms on-line at www.state.hi.us/dcca/ins. You may also review the April 19, 2002 Commissioner's Memorandum 2002-3L which contains a Question and Answer Producer Licensing information sheet on line.

Copies of the relevant provisions, forms, and prior Memorandum are available at the Insurance Division 250 S. King St., 5th Flr. Should you have any questions, please contact the Licensing Branch, Insurance Division at (808) 586-2788.