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**WAYNE METCALF**  
INSURANCE COMMISSIONER

May 22, 2001

Memorandum 2001-7A

To: All Life Insurers Authorized to do Business in the State of Hawaii

From: Wayne C. Metcalf, III  
Insurance Commissioner, State of Hawaii

RE: Life Insurance Policy Illustrations

Act 252, 2000 Legislative Session, mandates certain standards governing the conduct of insurers and producers with respect to the use of life insurance policy illustrations. These standards are codified as Part IV of Article 431:10D, Hawaii Revised Statutes, and will become effective on July 1, 2001. Part IV of Article 431:10D is comprised of the following statutes:

- § 431:10D-401 Scope
- § 431:10D-402 Definitions
- § 431:10D-403 Policies to be Illustrated
- § 431:10D-404 General Requirements and Prohibitions
- § 431:10D-405 Standards for Basic Illustrations
- § 431:10D-406 Standards for Supplemental Illustrations
- § 431:10D-407 Delivery of Illustration and Record Retention
- § 431:10D-408 Annual Reports and Notice to Policy Owners
- § 431:10D-409 Annual Certifications
- § 431:10D-410 Penalties
- § 431:10D-411 Authority to Adopt Rules

The texts of these statutes are located: at [www.capitol.hawaii.gov/hrscurrent/Vol09/hrs431-435\\_INS/431-10d/](http://www.capitol.hawaii.gov/hrscurrent/Vol09/hrs431-435_INS/431-10d/); in the 2000 volume 9 supplement of the Hawaii Revised Statutes located in libraries; or may be obtained at the Insurance Division for a copying charge.

While all listed statutes are integral to the issuing of life insurance policy illustrations, it is important to note that §431:10D-403 requires insurers to notify the Insurance Commissioner whether a policy is to be marketed with or without an illustration. Form RPA-LIL(07/01) has been designated as the form to be used for notification purposes. Please review §431:10D-403 in detail. Your careful attention to this mandate is required and appreciated.

(over)

Copies of RPA-LIL(07/01) may be obtained via the internet at the Insurance Division web page at [www.state.hi.us/dcca/ins/](http://www.state.hi.us/dcca/ins/) or at the Insurance Division.

You are commended to the other new statutes in Part IV and their requirements. Failure to comply with their mandates may result in licensee penalties for violations under Article 431:13 and other applicable laws of this State.

For questions regarding the statutes in Part IV and their requirements, please contact the Rate and Policy Branch of the Insurance Division at 808-586-2809. Reports of violations by insurers of Part IV's mandates may be made to the Complaints and Enforcement Branch at 808-586-2790.

Thank you for your attention to this Memorandum.