

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
INSURANCE DIVISION

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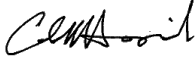
DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR

July 6, 2021

MEMORANDUM 2021-9LIC

TO: All Insurers, Licensees, and Registrants

FROM: Colin M. Hayashida 
Insurance Commissioner

RE: An Act Relating to Regulatory Authority of the Insurance Commissioner

Act 111, which became law on June 28, 2021, adopts certain provisions of the National Association of Insurance Commissioners ("NAIC") Producer Licensing Model Act ("PLMA"), Public Adjuster Model Act ("PAMA"), Reinsurance Intermediary Model Act ("RIMA"), and Independent Adjuster Licensing Guidelines ("IALG") to provide consistency and promote efficiency in processing new issues, renewals, and reinstatements of licenses and registrations. Act 111 will also facilitate the Insurance Division's transition to electronic processing of insurance licenses by amending chapter 431, articles 7, 8, 9, 9A, 9B, 9J, and 31, Hawaii Revised Statutes ("HRS"). Act 111 takes effect on January 1st, 2022.

Below are brief descriptions of the new changes that will affect licensing requirements and procedures:

- **Fees:** The issuance fee and service fee for the following licenses will be set forth in HRS Chapter 431, Article 7: Pharmacy Benefit Manager ("PBM"), Limited Lines Portable Electronics Producer ("PE") and Limited Lines Self-Service Storage Producer ("SSS").
- **Penalty Fees:** Adopted language from the PLMA, PAMA, and IALG. If the fee is not paid before or on the renewal date for a license or registration, the fee, plus a penalty in the amount of double the unpaid renewal fee, shall be due/paid prior to reinstating the license or registration.

- Waiver or Modification of Fees: The commissioner may, upon showing of good cause, waive or modify, in whole or part, any fees by order.
- No Refunds: All fees and penalty fees are nonrefundable.
- Portable Electronics Producer: Eliminate pro rata calculation of the initial fee for Limited Lines PE. License fees shall be renewed biennially, and the licensing fees shall be governed by section 431:7-101.
- Renewal Notice: The commissioner shall provide written notification to licensees and registrants of the renewal date at least thirty days prior to the extension of the license or registration.
- Continuing Education ("CE"): All licensees must complete the required number of CE credit hours prior to a license renewal.
- Reinsurance Intermediary Broker/Reinsurance Intermediary Manager ("RIB/RIM"): Adopted RIMA provisions for licensure. Requires an underlying producer or nonresident producer license as a prerequisite to apply for a resident or non-resident RIB license or RIM license.
- Third Party Administrator: Removes language regarding renewal date currently set on the 16th of the birth month for individual licensees, and on a date certain for business entity licensee to promote uniformity and consistency with other license renewal dates.
- Reinstatement: Adopted language from the PLMA, PAMA, and IALG. Reduces the current reinstatement or reactivation period to twelve months, from twenty-four months. No examination is necessary if a licensee pays the fees and penalties within twelve months from the inactivation date. After twelve months, all licensees must apply as new applicants.

The changes above will make all licensing processes and requirements more uniform and help expedite the Insurance Division's transition to electronic processing of insurance licenses. To adopt these changes, the current fee schedule of certain license types will be adjusted in the near future. Please pay close attention for future updates or announcements on the Division website, which may be found here: <http://cca.hawaii.gov/ins/>.

If you have any questions, please contact the Insurance Division Licensing Branch at inslic@dcca.hawaii.gov.