



**STATE OF HAWAII**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**  
**INSURANCE DIVISION**

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December 27, 2021

MEMORANDUM 2021-14LIC

TO: All Insurance Licensees and Registrants

FROM: Colin M. Hayashida   
Insurance Commissioner

RE: Amendment to Hawaii Administrative Rules ("HAR") §§16-171-301 to 324,  
Miscellaneous Insurance Rules

With the passage of Act 111, which became law on June 28, 2021, amendments were made to HAR §§16-171-301 to 324, Miscellaneous Insurance Rules, to be aligned with the changes that were made to various sections of Hawaii Revised Statutes ("HRS"). These amendments will establish uniform terms and durations of licenses and registrations issued by the Insurance Division ("Division"), which allows the Division to utilize an electronic process for processing insurance licensing fees, registrations fees, renewal fees, and reinstatement fees. This memorandum is intended to provide a summary of the changes implemented by the amendments to HAR §§16-171-301 to 324. Amendments will have an effective date of January 1<sup>st</sup>, 2022, with a provision allowing for a delayed implementation if necessary, but no later than beyond December 31, 2022.

Below are brief descriptions of the new changes:

- Term of License or Registration: The initial term of license or registration will be for not less than one year and not more than three years.
- License Renewal or Extension for a Natural Person (i.e. Individual): License renewal or extension date for a natural person will be on the last day of the licensee's birth month. This applies to all licenses.
- License Renewal or Extension for a Business Entity: License renewal or extension date for a business entity will be on the last day of April for a nonresident licensee, and on the last day of July for a resident licensee. This applies to all licenses.

- Payment of Initial Licensing and Registration Fees, and Renewal Fees: Following applies to all licenses and registrations:
  - Initial Fee: Includes an issuance fee and a two-year service fee.
  - Renewal Fee: Includes either a two-year service fee, if renewed biennially, or a one-year service fee, if renewed annually. There is no pro rata of the service fee.
  - Issuance fee is calculated pursuant to HRS §431:7-101(a) and two-year service fee or one-year service fee calculated pursuant to HRS §431:7-101(b).
- Continuing Education (CE): The CE compliance period for a residence licensee coincides with their license renewal date.
- Initial Term of Registration for Vehicle Protection Product Warrantor (VPPW), Service Contract Provider (SCP), and Pharmacy Benefit Manager (PBM):
  - VPPW: The initial term of VPPW registration will be for not less than one year and not more than three years and will automatically expire on December 31<sup>st</sup> of each year.
  - SCP: The initial term of SCP registration will be for not less than one year and not more than three years and will automatically expire on July 31<sup>st</sup> of each year.
  - PBM: The initial term of PBM registration will be for not less than one year and not more than three years and will automatically expire on March 31<sup>st</sup> of each year.
- Renewal for Registration: Renewal date for all registration will be the last day of the designated month.
- Portable Electronic (PE) Producer: The initial term of limited lines PE producer license will be not less than one year and not more than three years. There is no pro rata of the service fee.
- Reinstatement Fee: Following applies to all licenses and registrations:
  - If a license or registration was inactivated due to nonrenewal, an incomplete CE, or failure to meet other applicable requirements, the license or registration may be reinstated within one year of inactivation date, provided any unpaid renewal fees and penalty fees have been paid and any applicable CE or other requirements have been met.
  - If more than one year has passed since the inactivation date, the applicant must apply as a new applicant.

- Reinstatement After Surrendered Voluntarily: Following applies to all licenses and registrations:
  - If a license or registration was inactivated due to voluntary surrender, the license or registration may be reinstated if two-year service fee has been paid and applicable CE requirements have been met.
  - If more than one year has passed since the voluntary surrender, the applicant must apply as a new applicant.
- Electronic Filing Through Nongovernmental Entities: The Commissioner may mandate applicants to apply for their license or registration electronically through nongovernmental entities.

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](mailto:inslic@dcca.hawaii.gov).