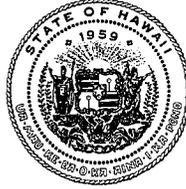


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July 1, 2018

MEMORANDUM 2018 – 3LIC

TO: All Authorized Insurers  
Licensed Resident and Non-Resident Producers

FROM: Gordon I. Ito, Insurance Commissioner 

SUBJECT: Elimination of Producer-to-Producer Appointments and Terminations of Appointment

Act 152, enacted in 2017, makes changes to producer licensing requirements. However, Act 008, enacted in 2018, postpones the effective date of the licensing requirements to January 1, 2020. This memorandum is intended to assist insurers and producers by providing information and guidelines regarding the amended appointments and terminations of appointment law in a Question and Answer format. The insurers and the licensees are urged to familiarize themselves with the new law to facilitate a smooth transition toward the implementation of the revised appointment and termination of appointment procedures.

### **Appointment & Termination of Appointment**

#### **Why are the producer-to-producer appointments and terminations of appointment eliminated?**

The producer-to-producer appointments and terminations of appointment are being eliminated to conform Hawaii Revised Statutes §§ 431:9A-114 and 431:9A-115 to the National Association of Insurance Commissioner's Producer Licensing Model Act.

#### **Where can I view the amended law?**

See Act 152, Session Laws of Hawaii 2017, at:

[https://www.capitol.hawaii.gov/hrscurrent/Vol09\\_Ch0431-0435H/HRS0431/HRS\\_0431-0009A-0114.htm](https://www.capitol.hawaii.gov/hrscurrent/Vol09_Ch0431-0435H/HRS0431/HRS_0431-0009A-0114.htm).

See Act 008 at <https://www.capitol.hawaii.gov/session2018/bills/GM1108.PDF>.

**When will the amended law take effect?**

January 1, 2020.

**With the new amended law, must the notice of appointment be filed with the Insurance Commissioner when a producer acts as an agent of an insurer?**

Yes.

**Are there any procedure changes for filing insurer-to-producer notice of appointments and notice of terminations of appointment?**

No. The procedure for insurer(s) to file producer appointments or terminations of appointment remains the same.

**Can a producer continue to appoint producers or terminate appointments with other producers prior to January 1, 2020?**

Yes. However, producers should start obtaining appointments directly with the insurer(s) prior to January 1, 2020.

**As a producer, can I continue to conduct insurance business with my current appointment prior to January 1, 2020?**

Yes.

**As a producer, do I need to terminate my current appointment with other producers once I have direct appointments with the insurers prior to January 1, 2020?**

Once you have the direct appointment with the insurer(s), you can submit Form T and terminate your current appointments with other producers, or you can leave the current producer-to-producer appointments active until December 31, 2019. Insurance Division will terminate all existing producer-to-producer appointments effective as of December 31, 2019.

**As a producer, can I continue to sell insurance through a producer who has a direct appointment with the insurer without obtaining a direct appointment with the insurer on and after January 1, 2020?**

No. You need to have a direct appointment with an insurer in order to sell insurance for the insurer you have an appointment with.

**Can producers appoint other producers on or after January 1, 2020?**

No. Beginning January 1, 2020, only insurers can appoint producers.

**What will happen to my existing producer-to-producer appointment(s) on and after January 1, 2020?**

All active producer-to-producer appointments will be terminated effective December 31, 2019, in the State database. The Insurance Division will not accept any producer-to-producer appointments or terminations of appointment on and after January 1, 2020.

**Can a producer file the notice of termination of appointment with the insurer on and after January 1, 2020?**

No. Only insurer(s) can file the notice of termination of appointment with the Commissioner. Producers who want their appointments terminated must contact each insurer that appointed them, and request that the insurer terminate the appointment.

**As an insurer, where should I file the notice of appointment or notice of termination of appointment on and after January 1, 2020?**

You can either submit paper Form APPT (for appointment) or Form T (for termination) to the Licensing Branch at [inslic@dcca.hawaii.gov](mailto:inslic@dcca.hawaii.gov) or fax to (808)-587-6714. You can find these forms at the Insurance Division website. You can also file electronically via [www.NIPR.com](http://www.NIPR.com) or through an NIPR authorized business partner. Contact NIPR [customerservice@nipr.com](mailto:customerservice@nipr.com) or call Help Desk at 1-(855)-674-6477 to assist you to set up electronic filing.

**As a producer, if I currently only have active direct appointments with other producers, how do I get a direct appointment with an insurer?**

Contact the insurer directly. Only insurer(s) can file the notice of appointment with the Commissioner.

**Starting January 1, 2020, if my producer license is inactivated due to nonrenewal, what will happen to my appointments with the insurers?**

Your appointment will be inactivated. If you reinstate your license within 30 days of your nonrenewal (inactivation), your appointments will be reinstated, too. After 30 days, you will need to be reappointed by the insurer(s) after your license is reactivated.

**Can a producer be appointed by more than one insurer?**

Yes.

**Where can I find the paper Form APPT and Form T on your website?**

Go to <http://cca.hawaii.gov/ins/producers/forms/>