

# HAWAII INSURABLE INTEREST

Division 2. Business  
Title 24. Insurance  
Chapter 431. Insurance Code  
Article 10. Insurance Contracts Generally  
Part II. General Rules

## § 431:10-202. Definitions

For purposes of this part:

"Insurable interest" includes only interests as follows:

- (1) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection.
- (2) In the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement, or injury of the individual insured.
- (3) An individual party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of each individual party to the contract and for the purposes of the contract only, in addition to any insurable interest which may otherwise exist as to the life of the individual.
- (4) A charitable organization as defined in section 467B-1 has an insurable interest in the life of each proposed insured who joins with said organization in applying for a life insurance policy naming said organization as owner and irrevocable beneficiary.

"Policy" means the written instrument in which a contract of insurance and any endorsement or addendum thereto is set forth.

## § 431:10-204. Insurable interest required; personal insurances

- (a) Any individual of competent legal capacity may procure or effect an insurance contract upon the individual's own life or body for the benefit of any person.
- (b) No person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under the contract are payable to the individual insured or the insured's personal representatives, or to a person having, at the time the contract was made, an insurable interest in the individual insured.

(c) If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits under the contract accruing upon the death, disablement or injury of the individual insured, the individual insured or the insured's personal representative may maintain an action to recover the benefits from the person so receiving them.

**§ 431:10-206. Application for insurance: consent of insured required**

No life insurance or accident and health or sickness insurance contract upon an individual shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies for or consents to the insurance in writing, except in the following cases:

(1) A spouse may effectuate such insurance upon the other spouse.

(2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to the minor.

This section shall not apply to contracts of group life insurance or of group or blanket disability insurance as defined in this code.