

JAN 24 2007

S.B. NO. 1856

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 431:10C-107, Hawaii Revised Statutes,
2 is amended to read as follows:

3 "**§431:10C-107 Verification of insurance: motor vehicles.**

4 (a) Every insurer shall issue to its insureds a sticker and a
5 motor vehicle insurance identification card for each motor
6 vehicle for which the basic motor vehicle insurance coverage is
7 written. The identification card shall contain the following:

- 8 (1) Name of make and factory or serial number of the motor
9 vehicle; provided that insurers of five or more motor
10 vehicles which are under common registered ownership
11 and used in the regular course of business shall not
12 be required to indicate the name of make and the
13 factory or serial number of each motor vehicle;
- 14 (2) Policy number;
- 15 (3) Names of the insured and the insurer; and
- 16 (4) Effective dates of coverage including the expiration
17 date.



1 (b) The identification card shall be in the insured motor
2 vehicle at all times and shall be exhibited to a law enforcement
3 officer upon demand. The sticker shall be affixed to the
4 vehicle.

5 (c) The identification card and the sticker shall be
6 resistant to forgery by whatever means appropriate. The
7 commissioner shall approve the construction, form, and design of
8 the identification card and sticker to ensure that the card and
9 the sticker is forgery resistant.

10 (d) The commissioner shall issue a sticker and certificate
11 of self-insurance periodically, as necessary, for use in each
12 motor vehicle insured under section 431:10C-105.

13 (e) The identification card and sticker issued by an
14 insurer shall not be issued for a period exceeding the period
15 for which premiums have been paid or earned; provided that this
16 subsection shall apply only to the first application of a person
17 for a motor vehicle insurance policy and shall not apply to
18 applications for commercial and fleet vehicles."

19 SECTION 2. Section 431:10C-108, Hawaii Revised Statutes,
20 is amended to read as follows:



1 "**§431:10C-108 Unlawful use of motor vehicle insurance**
2 **identification card~~[-]~~ or sticker.** It shall be a violation of
3 this article:

4 (1) For any person to make, issue, or knowingly use any
5 fictitious or fraudulently altered motor vehicle
6 insurance identification card~~[+]~~ or sticker; or

7 (2) For any person to display or cause or permit to be
8 displayed a motor vehicle insurance identification
9 card or sticker knowing that the motor vehicle
10 insurance policy was canceled as provided in ~~[section]~~
11 sections 431:10C-111 and ~~[section]~~ 431:10C-112."

12 SECTION 3. Section 431:10C-109, Hawaii Revised Statutes,
13 is amended to read as follows:

14 "**§431:10C-109 Motor vehicle insurance identification card**
15 **and sticker after cancellation of policy; return to insurer,**

16 **civil sanctions.** (a) When a motor vehicle insurance policy is
17 canceled before the end of the policy period, the insured
18 ~~[shall]~~, within thirty days after being notified of the
19 cancellation:

20 (1) ~~[Return]~~ Shall return the motor vehicle insurance
21 identification card and sticker to the insurer for the
22 policy; or



1 (2) If the card or sticker is lost or stolen, shall submit
2 to the insurer an affidavit signed by the insured
3 stating that fact to the insurer.

4 (b) The insurer's notice of cancellation shall include:

5 (1) The reason for the cancellation; and

6 (2) A statement of actions which may be taken under this
7 section if the card or sticker is not returned.

8 (c) If the card, sticker, or affidavit is not returned
9 within the period specified, the insurer [~~may~~]:

10 (1) If the premiums for the period shown on the motor
11 vehicle insurance identification card have been
12 prepaid, may withhold the unearned portions of the
13 premiums until the identification card or an affidavit
14 signed by the insured has been returned. [~~In~~
15 ~~addition, all~~] All premiums shall be considered
16 "earned" until the card is returned[~~+~~]; or

17 (2) If the premiums for the period shown on the
18 identification card have not been paid in full, may
19 bring a civil action for three times the unpaid
20 portion of the premiums. Notwithstanding section 607-
21 14, the insurer shall be awarded reasonable attorney's
22 fees and court costs. If the motor vehicle insurance



1 identification card is returned after the civil action
 2 is filed but before the matter is taken to trial, the
 3 insurer shall be awarded damages of not less than
 4 \$100, but not more than the amount of the unpaid
 5 premiums together with reasonable attorney's fees and
 6 costs as provided in this section.

7 (d) Notwithstanding the provisions of this section, the
 8 imposition of criminal sanctions under section 431:10C-117 shall
 9 not be precluded."

10 SECTION 4. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

No-fault insurance; sticker

Description:

Requires stickers on motor vehicles as proof of effective no-fault insurance policy.

