

Honolulu, Hawaii

Feb 13, 2008

RE: H.B. No. 2093
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2093 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to improve traffic safety by requiring motor vehicle insurers to reduce, for a period of three years, insurance rates of senior citizens who successfully complete a driver improvement course.

AARP testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and State Farm Insurance Companies testified in opposition to this measure. The American Insurance Association submitted comments on this bill.

The prevention and the reduction of accidents and fatalities is the goal of the motoring public. Promoting safe driving through accident prevention programs is one means to achieve this goal. According to AARP, one of the largest providers of driver safety courses for older individuals, these programs work as attested to by a large percentage of the graduates from their course stating that they had made changes in their driving behavior and that lessons learned in the course helped them prevent being involved in an accident.



Your Committee notes that accident prevention programs help to improve traffic safety and that one way to promote these programs is by providing insurance rate reductions for persons completing the course. However, your Committee finds that restricting this rate reduction to those over the age of 55 seriously limits the programs potential for truly enhancing traffic safety.

Your Committee has amended this measure by:

- (1) Applying the insurance rate reduction to all principal operators of a motor vehicle who complete a motor vehicle accident prevention course approved by the Department of Transportation, regardless of age; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



