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Alison Powers
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TESTIMONY OF ALISON POWERS

HOUSE COMMITTEE ON TRANSPORTATION
Representative Joseph M. Souki, Chair
Representative Scott Y. Nishimoto, Vice Chair

Monday, January 28, 2008
9:00 a.m.

HB 2269

Chair Souki, Vice Chair Nishimoto and members of the Transportation Committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 60% of all property and casualty insurance premiums in the state.

HIC **opposes** H.B. 2269, which prohibits the district court from disclosing traffic violations committed more than three years prior to the request for disclosure from a party other than a law enforcement agency or the licensee.

It is essential that insurance providers continue to be able to obtain complete and accurate information when establishing insurance rates. A driver's past traffic violations are an excellent indicator of future risk, and are therefore necessary to rate properly. Although H.B. 2269 does not apply to criminal convictions, traffic violations of all types and severity are indicators of the likelihood of future insurance claims.

Hawaii prohibits the use by insurance companies of many factors on which rates are based in other parts of the country. Consequently, insurers in Hawaii rely heavily on

driving histories to set rates that are fair and equitable among Hawaii consumers. Limitations on the use of driving record information would severely limit insurers' ability to fairly apportion risk in this state. Passage of the bill would result in higher rates for some drivers who present a better risk in order to subsidize those drivers who would have received a higher rate if all applicable factors were considered.

H.B. 2269 makes an exception that at first appears consumer-friendly, but in reality treats consumers inequitably and unfairly. It allows disclosure of traffic infractions more than three years preceding a disclosure request, if the driver had an outstanding traffic infraction within the three years preceding the date of the request. For example, a person with an outstanding traffic violation from six months ago would have 3 1/2 years worth of driving history made available. A person with an outstanding traffic violation from a year ago would have 4 years of driving history made available. This would create an inequitable system in which every driver's insurance rates could be set based on a different time period, since each person's available driving record would depend on how quickly they resolved traffic violations.

Because of the inequities the bill would create for insurance consumers in Hawaii, we respectfully request that H.B. 2269 be held.

Thank you for the opportunity to testify.