

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 14, 2008

The Honorable Russell Kokubun, Chair  
The Honorable David Ige, Vice Chair

Senate Committee on Commerce, Consumer Protection and Affordable Housing

**Re: SB 2367 – Relating to Motor Vehicle Insurance**

Dear Chair Kokubun, Vice Chair Ige and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2367 which would exclude bodily injury coverage for non-economic damages if the injured individual was uninsured, intoxicated, or committing a felony at the time of the accident. HMSA has concerns with this measure.

We believe that under the language in this measure employers could experience an increase in health plan premiums. This would occur if the individual injured in an automobile accident meets certain criteria, uninsured, intoxicated or is committing a felony at the time of the accident, the personal injury protection component of motor vehicle coverage would no longer be used to cover the costs of their injuries. This would then prevent health plans from recovering the costs of providing health care coverage for these individuals and constitutes a cost shift that would impact local employers.

Under this legislation the cost of providing care for injured parties could shift from the no-fault provision in motor vehicle insurance to an individual's health plan. The individual is responsible for paying the cost of their motor vehicle insurance while most Hawaii residents receive their health care coverage through their employer. This means that the cost of health care associated with this bill could shift to the individual's employer.

Thank you for the opportunity to testify on SB 2367.

Sincerely,

Jennifer Diesman  
Director, Government Relations