

STAND. COM. REP. NO.

13

Honolulu, Hawaii

Feb 4, 2009

RE: H.B. No. 264

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 264 entitled:

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

begs leave to report as follows:

The purpose of this bill is to eliminate disincentives for obtaining uninsured motorist coverage, by limiting eligibility for the Joint Underwriting Plan Assigned Claims Program (Program) to those who do not have any motor vehicle insurance.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies testified in support of this bill. The Hawaii Association for Justice opposed this measure.

The Program provides minimum insurance benefits to those who sustain harm in a motor vehicle accident and lack other available means of recovery. However, current law allows persons who are able to obtain uninsured motorist coverage to instead claim these benefits through the Program. This bill attempts to address this issue by restricting Program eligibility to those who do not have any motor vehicle insurance at all.

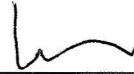
Your Committee notes, however, the counter-arguments pointing out the adverse effects this bill may have on those with any type of insurance applicable to the harm or who do not have access to uninsured motorist coverage, and is moving this measure along for further consideration of these issues.

HB264 HSCR CPC HMS 2009-1762



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 264 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



