

STAND. COM. REP. NO. 1491

Honolulu, Hawaii

Apr. 16, 2009

RE: S.B. No. 58  
S.D. 2  
H.D. 1

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

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred S.B. No. 58, S.D. 2, H.D. 1,  
entitled:

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

beg leave to report as follows:

The purpose of this bill is to promote affordable motor  
vehicle insurance by allowing a named insured on a motor vehicle  
insurance policy to exclude persons from being covered under the  
policy, through a written endorsement signed by the named insured  
and excluded person.

The American Insurance Association testified in support of  
this bill. The Office of the Public Defender and Hawaii  
Independent Insurance Agents Association opposed this measure.  
The Department of Commerce and Consumer Affairs, Hawaii Insurers  
Council, State Farm Insurance Companies, Property Casualty  
Insurers Association of America, and Hawaii Association for  
Justice provided comments.

Under current law, the acts of one driver can affect the  
motor vehicle insurance premiums for that driver's entire  
household. This bill seeks to minimize the impact on the  
remaining household drivers by allowing certain drivers to be  
specifically excluded from an insurance policy covering a shared  
motor vehicle.

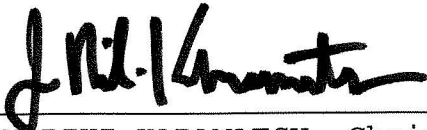
SB58 HD1 HSCR CPC-JUD HMS 2009-3457



However, there are numerous concerns with this bill, including its potential to increase the number of uninsured drivers and its corresponding effect on the assigned claims program, which provides motor vehicle insurance benefits to accident victims in cases where no benefits are available. Your Committees note the effective date of this bill is July 1, 2050, and are therefore moving it along for further consideration.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 58, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,



JON RIKI KARAMATSU, Chair



ROBERT N. HERKES, Chair





