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PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION

TO THE HOUSE COMMITTEE ON JUDICIARY

TWENTY-FIFTH STATE LEGISLATURE
Regular Session 2010

TUESDAY, FEBRUARY 23, 2010
2:00 p.m.

WRITTEN TESTIMONY ONLY ON HOUSE BILL NO. 1978 H.D. 1 -- RELATING TO TOWING.

TO THE HONORABLE JON RIKI KARAMATSU, CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to provide these comments on House Bill No. 1978, H.D. 1, Relating to Towing. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection ("OCP").

At this time the Department is not opposed to the proposed amendments offered by House Bill No. 1978, H.D. 1 so long as the statutory towing fees are not increased in any manner.

Testimony on H.B. No. 1978 H.D. 1
February 23, 2010
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Thank you for this opportunity to provide these comments on House Bill No.
1978, H.D. 1.



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER

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House Committee on Judiciary
Conference Room 325 State Capitol
Tuesday, February 23, 2010, 2:00 p.m.
HB 1978 – Relating to Towing

Chairman Karamatsu, Vice Chairman Ito, & Members of the Judiciary Committee:

My name is Timothy Dayton, General Manager of GEICO in Hawaii.

GEICO is Hawaii's largest motor vehicle insurer. **GEICO supports House Bill Number 1978 and has one addition** to propose. It is neither reasonable nor practical to require cash payments of towing bills (which are often several hundred dollars) from the motor vehicle insurer or its representative (typically another licensed tow company). Specifically, HRS Section 290-11 should clarify that to obtain the vehicle's release **all fees due and payable can be satisfied with either a motor vehicle insurer's claim check or other commercial check issued by a licensed business.**

I very much appreciate the opportunity to submit this testimony

Timothy M. Dayton



**Property Casualty Insurers
Association of America**

Shaping the Future of American Insurance
1415 L Street, Suite 670, Sacramento, CA 95814-3972

To: The Honorable Jon Riki Karamatsu, Chair
House Judiciary Committee

From: Samuel Sorich, Vice President

Re: **HB 1978 HD1 – Towing**
PCI Position: Support if Amended

Date: Tuesday, February 23, 2010
2:00 p.m.; Conference Room 325

Aloha Chairman Karamatsu and Committee Members:

The Property Casualty Insurers Association of American (PCI) supports of HB 1978 HD1 which would make some important improvements in the laws relating to tow truck operators. The bill improves access to damaged vehicles by both owners and other parties such as insurance companies. Timely access allows the vehicle to be repaired in a timelier manner and also reduces storage costs. Allowing access by insurance companies and other appropriate third parties allows insurance companies to pick up the car to be repaired without added inconvenience for the consumer.

We suggest one more amendment to improve the bill. In many cases it is the practice of the tow company to only accept cash. In some cases the storage bill can be quite significant and the requirement to pay the towing and storage bill present a huge inconvenience and a potential safety issue. We suggest that the bill be amended to allow payment by a check written on behalf of an insurer or licensed towing operator. We understand the towing truck company's concerns about personal checks but a check from the insurance company or tow truck operator should provide enough security to the tow truck operator who is storing the car.

PCI supports HB 1978 HD1 and requests consideration of our amendment.

Hawaii State Towing Association

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February 22, 2010

Representative Jon Riki Karamatsu Chair
Representative Ken Ito, Vice Chair
Committee on Judiciary
State Capitol, Room 325
Honolulu, HI 96813

RE: HB1978 HD1, Relating to Motor Vehicles

Dear Chair Karamatsu, Vice Chair Ito and Members of the Committee:

Oh behalf of the Hawaii State Towing Association, we endorse this bill as consumers have encountered problems in obtaining the release of vehicles from other towing companies. We also have been asked to transfer the vehicle to an auto body shop for repair work and have been denied. We understand the consumer has also had to wait to pick up his vehicle after it has been towed as no one is at the storage lot to release it. This inconvenience means more storage fees to the consumer.

As to the mandate to require insurance which is stated in the current law but has no minimum amount. We would propose the amount for bodily injury be not less than \$500,000, property damage not less than \$200,000 and on hook coverage of not less than \$175,000 or a combined limit of \$1,000,000. With cost being what they are and the consumer and or his vehicle being at risk this amount of insurance is a small price to pay to cover the potential accident that may occur during a tow.

With these changes to the bill we support its passage. Mahalo for your favorable consideration.
Respectfully Submitted,

Jan Wakaya
President