
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE INSURANCE POLICY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 431:10C-301, Hawaii Revised Statutes,
2 is amended to read as follows:

3 "**§431:10C-301 Required motor vehicle policy coverage.** (a)

4 An insurance policy covering a motor vehicle shall provide:

- 5 (1) Coverage specified in section 431:10C-304; and
6 (2) Insurance to pay on behalf of the owner or any
7 operator of the insured motor vehicle using the motor
8 vehicle with a reasonable belief that the person is
9 entitled to operate the motor vehicle, sums which the
10 owner or operator may legally be obligated to pay for
11 injury, death, or damage to property of others, except
12 property owned by, being transported by, or in the
13 charge of the insured, which arise out of the
14 ownership, operation, maintenance, or use of the motor
15 vehicle; provided that in the case of a U-drive motor
16 vehicle, insurance to pay on behalf of the renter or
17 any operator of the insured motor vehicle using the
18 motor vehicle with the express permission of the



1 renter or lessee, sums which the renter or operator
2 may be legally obligated to pay for damage or
3 destruction of property of others (except property
4 owned by, being transported by, or in the charge of
5 the renter or operator) arising out of the operation
6 or use of the motor vehicle unless the motor vehicle
7 is reported stolen by the owner within three days of
8 notification of the incident; provided that the
9 insurer and owner of a U-drive vehicle shall have the
10 right of subrogation against the renter and operator
11 for breach of the rental contract between owner and
12 renter; and provided further that, in the event that
13 any motor vehicle offered for rental or lease is
14 involved in an accident, the lessor shall provide all
15 information it has or obtains relevant to the accident
16 to all other involved parties upon their request,
17 including but not limited to information about the
18 lessee, and the driver of the vehicle if other than
19 the lessee.

20 (b) A motor vehicle insurance policy shall include:

21 (1) Liability coverage of not less than \$20,000 per
22 person, with an aggregate limit of \$40,000 per



1 accident, for all damages arising out of accidental
2 harm sustained as a result of any one accident and
3 arising out of ownership, maintenance, use, loading,
4 or unloading of a motor vehicle;

5 (2) Liability coverage of not less than \$10,000 for all
6 damages arising out of damage to or destruction of
7 property including motor vehicles and including the
8 loss of use thereof, but not including property owned
9 by, being transported by, or in the charge of the
10 insured, as a result of any one accident arising out
11 of ownership, maintenance, use, loading, or unloading,
12 of the insured vehicle;

13 (3) With respect to any motor vehicle registered or
14 principally garaged in this State, liability coverage
15 provided therein or supplemental thereto, in limits
16 for bodily injury or death set forth in paragraph (1),
17 under provisions filed with and approved by the
18 commissioner, for the protection of persons insured
19 thereunder who are legally entitled to recover damages
20 from owners or operators of uninsured motor vehicles
21 because of bodily injury, sickness, or disease,
22 including death, resulting therefrom; provided that



1 the coverage required under this paragraph shall not
2 be applicable where any named insured in the policy
3 shall reject the coverage in writing; and

4 (4) Coverage for loss resulting from bodily injury or
5 death suffered by any person legally entitled to
6 recover damages from owners or operators of
7 underinsured motor vehicles. An insurer may offer the
8 underinsured motorist coverage required by this
9 paragraph in the same manner as uninsured motorist
10 coverage; provided that the offer of both shall:

11 (A) Be conspicuously displayed so as to be readily
12 noticeable by the insured;

13 (B) Set forth the premium for the coverage adjacent
14 to the offer in a manner that the premium is
15 clearly identifiable with the offer and may be
16 easily subtracted from the total premium to
17 determine the premium payment due in the event
18 the insured elects not to purchase the option;
19 and

20 (C) Provide for written rejection of the coverage by
21 requiring the insured to affix the insured's



1 signature in a location adjacent to or directly
2 below the offer.

3 (c) The stacking or aggregating of uninsured motorist
4 coverage or underinsured motorist coverage whenever there is
5 more than one motor vehicle insured under the same policy is
6 prohibited, except as provided in subsection (d).

7 (d) An [~~insurer~~] insured shall [~~offer the insured the~~
8 ~~opportunity to~~] purchase uninsured motorist coverage and
9 underinsured motorist coverage [~~by offering~~] under the following
10 options with each motor vehicle insurance policy:

11 (1) The option to stack uninsured motorist coverage and
12 underinsured motorist coverage whenever there is more
13 than one motor vehicle insured under the same policy;
14 and

15 (2) [~~The option to select uninsured~~] Uninsured motorist
16 coverage and underinsured motorist coverage,
17 [~~whichever is applicable,~~] up to but not greater than
18 the bodily injury liability coverage limits in the
19 insured's policy.

20 [~~These offers are to be made when a motor vehicle insurance~~
21 ~~policy is first applied for or issued. For any existing~~
22 ~~policies, an insurer shall offer such coverage at the first~~



1 ~~renewal after January 1, 1993. Once an insured has been~~
2 ~~provided the opportunity to purchase or reject the coverages in~~
3 ~~writing under the options, no further offer is required to be~~
4 ~~included with any renewal or replacement policy issued to the~~
5 ~~insured.]~~

6 ~~[-(e) If uninsured motorist coverage or underinsured~~
7 ~~motorist coverage is rejected, pursuant to section 431:10C-~~
8 ~~301(b)-~~

9 ~~(1) The offers required by section 431:10C 301(d) are not~~
10 ~~required to be made;~~

11 ~~(2) No further offers or notice of the availability of~~
12 ~~uninsured motorist coverage and underinsured motorist~~
13 ~~coverage are required to be made in connection with~~
14 ~~any renewal or replacement policy; and~~

15 ~~(3) The written rejections required by section 431:10C-~~
16 ~~301(b) shall be presumptive evidence of the insured's decision~~
17 ~~to reject the options.] "~~

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect upon its approval.

21

INTRODUCED BY:

D.C. Fish
[Signature]



JAN 26 2011

Report Title:

Motor Vehicle Insurance Policy

Description:

Prohibits stacking or aggregating uninsured or underinsured motorist coverage whenever there is more than one vehicle under the same policy, with exceptions.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

