

Honolulu, Hawaii

March 22, 2011

RE: S.B. No. 124
S.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 124, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to assist both motor vehicle insurance consumers and motor vehicle insurers by establishing an exemption for insurers to the general prohibition on cancellation or nonrenewal of motor vehicle insurance policies, provided that certain conditions are met, including terms and cost, which are more favorable to the consumer.

The State Insurance Commissioner of the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, and Property Casualty Insurers Association of America testified in support of this bill.

Currently, Hawaii law places several requirements for and prohibitions on the cancellation or nonrenewal of a motor vehicle insurance policy, even in instances where the replacement policy is better for the consumer in terms of cost or benefits. Requiring insurers to cancel or non-renew a current policy whenever the policy is being replaced by a better policy causes confusion among consumers and burdens insurers. Your Committee finds that providing an exemption from some of these statutory provisions limiting policy cancellations and non-renewals is both beneficial to the consumer and insurer.

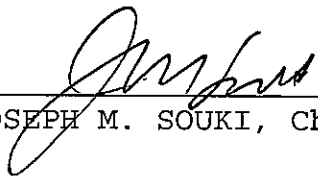
SB124 SD1 HSCR TRN HMS 2011-3098



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As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 124, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 1033

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 124, SD1	Committee Referral: TRN, CPC	Date: 3/16/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)				
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia				/
7. SAIKI, Scott K.	/			
8. TAKUMI, Roy M.	/			
9. YAMASHITA, Kyle T.	/			
10. FONTAINE, George R.	/			
11. JOHANSON, Aaron Ling	/			
TOTAL (11)	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <p style="text-align: center;">committee acronym(s)</p>				
Vice Chair's or designee's signature: <i>Linda Ichiyama</i>				
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