

JAN 25 2012

S.B. NO. 2649

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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1           SECTION 1. The legislature finds that the rate of  
2 uninsured motorists in Hawaii was approximately eleven per cent  
3 in 2009, a factor that contributes to the cost of motor vehicle  
4 insurance for all Hawaii motorists. One means of reducing the  
5 number of uninsured motorists is the maintenance of accurate  
6 information on those who do not have motor vehicle insurance  
7 coverage, enabling law enforcement officers to enforce insurance  
8 and registration laws.

9           Utah initiated an uninsured motorist identification  
10 database program in 1995, when the state's uninsured motorist  
11 rate was over twenty-three per cent - one of the highest in the  
12 nation. In the first two years of the program, the uninsured  
13 rate dropped to just over nine per cent, and current uninsured  
14 motorists represent less than four per cent of Utah motorists.

15           The purpose of this Act is to establish an uninsured  
16 motorist identification database program in Hawaii to:

17           (1) Verify and increase compliance with motor vehicle  
18           insurance and registration laws;



1 (2) Reduce the number of uninsured motor vehicles on the  
2 roads of the State; and

3 (3) Assist in the identification and prevention of  
4 identity theft and other crimes.

5 SECTION 2. Chapter 287, Hawaii Revised Statutes, is  
6 amended by adding a new part to be appropriately designated and  
7 to read as follows:

8 "PART . UNINSURED MOTORIST IDENTIFICATION DATABASE PROGRAM

9 §287-A Definitions. As used in this part:

10 "Database" means the uninsured motorist identification  
11 database.

12 "Department" means the department of transportation.

13 "Designated agent" means the third party with whom the  
14 department contracts to implement the program.

15 "Program" means the uninsured motorist identification  
16 database program.

17 §287-B Program establishment; administration. There is  
18 established the uninsured motorist identification database  
19 program to serve as a statewide system of data compilation and  
20 retrieval of information regarding uninsured motor vehicles.  
21 The program shall be administered by the department with the  
22 assistance of the designated agent.



1           §287-C Designated agent; database development and  
2 maintenance responsibilities. (a) The department shall  
3 contract with a third party to serve as the designated agent;  
4 provided that no contract shall obligate the department to pay  
5 the designated agent any moneys in excess of those collected as  
6 fees, fines, or other means pursuant to this chapter.

7           (b) The designated agent shall develop and maintain the  
8 uninsured motorist identification database, which shall be an  
9 electronic database of information provided by:

10           (1) Insurers under section 431:10C- ;

11           (2) The counties, upon request; and

12           (3) The motor vehicle safety office.

13           (c) The database shall include the following information  
14 for each motor vehicle owner:

15           (1) Name, make, and model of the insured motor vehicle;

16           (2) Vehicle identification number as defined under section  
17 286-2;

18           (3) Vehicle license plate number;

19           (4) Name of the primary insured;

20           (5) Name of the insurer;

21           (6) Effective dates of coverages; and

22           (7) Insurance policy number.



1 (d) The database shall be developed and maintained in  
2 accordance with guidelines established by the department to  
3 ensure that the department, state and other law enforcement  
4 agencies, and county motor vehicle licensing and registration  
5 agencies shall have timely access to the records of the  
6 database, including reports necessary for the implementation of  
7 this part.

8 (e) Database reports shall be in a form and contain  
9 information approved by the department. The reports may be made  
10 available through the Internet or other electronic medium, if  
11 the department determines that sufficient security is provided  
12 to ensure compliance with requirements regarding limitations on  
13 disclosure of information in the database.

14 The designated agent shall, at least monthly:

15 (1) Update the database with the motor vehicle insurance  
16 information provided by insurers under section  
17 431:10C- , and motor vehicle licensing and  
18 registration information provided by the counties,  
19 upon request;

20 (2) Compare all current motor vehicle insurance,  
21 licensing, and registration information against the  
22 database; and



1 (3) Prepare and disseminate the updated reports.

2 §287-D Notice; proof. (a) If the comparison under  
3 section 287-C(e)(2) shows that a motor vehicle is not insured  
4 for consecutive months, the department shall direct the  
5 designated agent to provide notice to the owner of the motor  
6 vehicle and to the county where the motor vehicle is registered  
7 that the owner has fifteen days to obtain motor vehicle  
8 insurance or turn in to the county the license plates of the  
9 vehicle within thirty days.

10 (b) If the owner of the motor vehicle fails to provide  
11 satisfactory proof of motor vehicle insurance to the designated  
12 agent within fifteen days, the designated agent shall provide a  
13 second notice to the owner of the motor vehicle and to the  
14 county where the motor vehicle is registered that the owner has  
15 fifteen days to provide satisfactory proof of motor vehicle  
16 insurance or turn in to the county the license plates of the  
17 vehicle.

18 (c) The designated agent shall include in the database:

19 (1) A record of each notice provided to the owner of a  
20 motor vehicle and the owner's response; and

21 (2) Any action taken by the county where the motor vehicle  
22 is registered.



1           **§287-E False information; penalty.** (a) Any person who  
2 gives information required under this part, knowing or having  
3 reason to believe that the information is false, shall be fined  
4 not more than \$1,000 under section 287-44(a).

5           (b) The imposition of any civil penalty under this part  
6 shall be in addition to, and shall not in any way limit or  
7 affect the application of, any other civil or criminal penalty,  
8 or public safety condition or requirement, provided by law.

9           **§287-F Disclosure of insurance information; penalty.** (a)  
10 Information in the database provided by an entity to the  
11 designated agent pursuant to section 287-C shall be considered  
12 to be the property of that entity providing the information, and  
13 the information shall not be disclosed from the database, except  
14 as follows:

15           (1) For the purpose of investigating, litigating, or  
16 enforcing any motor vehicle insurance laws under  
17 article 10C of chapter 431, the designated agent shall  
18 verify insurance information for a state or county  
19 government agency or court;

20           (2) For the purpose of investigating, litigating, or  
21 enforcing any motor vehicle insurance laws under  
22 article 10C of chapter 431, the designated agent



1 shall, upon request, issue to any state or county  
2 government agency or court a certificate documenting  
3 the insurance information, according to the database,  
4 of a specific individual or motor vehicle for the time  
5 period designated by the government agency or court;

6 (3) Upon request, the department or its designated agent  
7 shall disclose whether or not an individual is insured  
8 and, if insured, the insurance company name to:

9 (A) The individual or, if the individual is deceased,  
10 any interested person of the individual, as  
11 defined in section 560:1-201;

12 (B) The parent or legal guardian of the individual if  
13 the individual is an unemancipated minor;

14 (C) The legal guardian of the individual if the  
15 individual is legally incapacitated;

16 (D) A person who has power of attorney from the  
17 insured individual;

18 (E) A person who submits a notarized release from the  
19 insured individual dated no more than ninety days  
20 before the date the request is made; or

21 (F) A person suffering loss or injury in a motor  
22 vehicle accident in which the insured individual



- 1                   is involved, but only as part of an accident  
2                   report under section 287-4;
- 3       (4) For the purpose of investigating, enforcing, or  
4       prosecuting laws or issuing citations related to:
- 5           (A) The registration and renewal of registration of a  
6           motor vehicle under chapter 291D;
- 7           (B) The purchase of a motor vehicle under chapter  
8           231; or
- 9           (C) Any motor vehicle insurance laws under article  
10          10C of chapter 431, the department or the  
11          designated agent shall, upon request of a law  
12          enforcement agency or law enforcement officer  
13          acting in an official capacity, disclose relevant  
14          information;
- 15       (5) For the purpose of the state auditor conducting audits  
16       of the program;
- 17       (6) Upon request of a financial institution, as defined  
18       under section 412:1-109, for the purpose of protecting  
19       the financial institution's bona fide security  
20       interest in a motor vehicle; and





1           (7) Upon the request of a state or other law enforcement  
2           agency for the purpose of investigating and  
3           prosecuting identity theft and other crimes.

4           (b) The department may allow the designated agent to  
5           prepare and deliver upon request, a report on the insurance  
6           information of a person or motor vehicle in accordance with this  
7           section. The report may be in the form of:

8           (1) A certified copy that is considered admissible in any  
9           court proceeding in the same manner as the original;  
10          or

11          (2) Information accessible through the Internet or other  
12          electronic medium if the department determines that  
13          sufficient security is provided to ensure compliance  
14          with this section.

15          (c) The department may allow the designated agent to  
16          charge a fee established by the department for each:

17          (1) Document authenticated, including each certified copy;

18          (2) Record accessed by the Internet or other electronic  
19          medium; and

20          (3) Record provided to a financial institution under  
21          subsection (a) (6).



1 (d) A person who knowingly releases or discloses  
2 information from the database for a purpose other than those  
3 authorized in this section or to a person not entitled to the  
4 information shall be guilty of a \_\_\_\_\_ and shall be fined not  
5 more than \$ \_\_\_\_\_ or imprisoned not more than \_\_\_\_\_, or  
6 both, for each offense.

7 (e) An insurer shall not be liable to any person for  
8 providing information to the designated agent in accordance with  
9 this part.

10 (f) Neither the State nor the designated agent shall be  
11 liable to any person for gathering, managing, or using the  
12 information in the database as provided in this part.

13 **§287-G Rules.** The department shall adopt rules in  
14 accordance with chapter 91 for the purposes of this part.

15 **§287-H Reports; audits.** (a) The department shall submit  
16 to the legislature an annual status report on the program's  
17 activities.

18 (b) The financial transactions of the program are subject  
19 to audit by the auditor at least every three years.

20 **§287-I Disposition of revenues.** Moneys collected as fees  
21 established pursuant to section 287-F(c), fines pursuant to  
22 sections 287-E and 287-F(d), or by other means pursuant to this



1 chapter shall be paid to the general fund and credited to the  
2 department of transportation to implement the program."

3 SECTION 3. Chapter 431, Hawaii Revised Statutes, is  
4 amended by adding a new section to article 10C to be  
5 appropriately designated and to read as follows:

6 "§431:10C- Uninsured motorist identification database;  
7 information requirements. (a) Every motor vehicle insurer  
8 shall provide the department of transportation with the  
9 information listed under section 287-C(c) and shall notify the  
10 department of the cancellation of a motor vehicle insurance  
11 policy; provided that the department or the department's  
12 designated agent shall provide this information to a county for  
13 only those motor vehicles registered by the county. The  
14 information shall be transmitted on a monthly basis according to  
15 a schedule set by the department. Every insurer shall take all  
16 necessary precautions to protect the privacy interests of  
17 persons whose information is transmitted to the department.

18 (b) No motor vehicle insurer shall be subject to civil  
19 liability for errors or omissions in recording, maintaining, or  
20 reporting information required under this section, except for  
21 damages that result from the motor vehicle insurer's gross  
22 negligence or wanton acts or omissions."



1 SECTION 4. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so  
 3 much thereof as may be necessary for fiscal year 2012-2013 for  
 4 implementation of the uninsured motorist identification database  
 5 program.

6 The sum appropriated shall be expended by the department of  
 7 transportation for the purposes of this Act.

8 SECTION 5. In codifying the new sections added by section  
 9 2 of this Act, the revisor of statutes shall substitute  
 10 appropriate section numbers for the letters used in designating  
 11 the new sections in this Act.

12 SECTION 6. New statutory material is underscored.

13 SECTION 7. This Act shall take effect on July 1, 2012.

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**Report Title:**

Highway Safety; Uninsured Motorist Identification Database Program; Appropriation

**Description:**

Establishes an uninsured motorist identification database program to serve as a statewide system of data compilation and retrieval of information regarding uninsured motor vehicles; authorizes the department of transportation to contract with a third party designated agent to establish and manage the program database; establishes penalties, reporting, and audit requirements; requires motor vehicle insurers to provide the department of transportation with information; requires moneys collected as fees, fines, or other means to be paid to the general fund and credited to the department of transportation to implement the program; appropriates funds for the program.

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

