

STAND. COM. REP. NO. 402 -12

Honolulu, Hawaii

Feb 15 , 2012

RE: H.B. No. 2730

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2730 entitled:

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

begs leave to report as follows:

The purpose of this measure is to promote highway safety and reduce the number of uninsured motorists on Hawaii's roadways by providing that motor vehicle insurance policy premiums are non-refundable upon cancellation, except under certain circumstances.

The Department of Commerce and Consumer Affairs testified in opposition to this measure.

Hawaii's motor vehicle insurance system was established to protect both drivers and their vehicles when a motor vehicle accident occurred. As such, the privilege of driving a motor vehicle must be conditioned upon the ability to adequately compensate those who are injured as the result of a motor vehicle accident. This requires that all drivers participate in Hawaii's motor vehicle insurance system. However, an estimated 11 percent of all Hawaii motorists currently drive without motor vehicle insurance.

HB2730 HD1 HSCR TRN HMS 2012-1911



Some drivers also circumvent the registration and safety inspection process, which requires proof of insurance, by purchasing motor vehicle insurance for the registration and inspection periods, then canceling their insurance after receiving their proof of registration and safety inspection. This measure attempts to address this issue.

Your Committee has amended this bill by:

- (1) Allowing for the refund of the pro rata unearned portion of any prepaid premiums on a policy canceled by an insured upon the death of the insured or the disability of the insured that prevents the insured from operating a motor vehicle;
- (2) Excluding individuals that purchase insurance through a premium finance plan that allows premiums to be paid monthly from this measure; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2730, H.D. 1, 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 402-12

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2730	Committee Referral: TRN, CPC	Date: 2/8/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" 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. OKAMURA, Tom				
8. SAIKI, Scott K.	/			
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. FONTAINE, George R.	/			
12. JOHANSON, Aaron Ling	/			
TOTAL (12)	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Linda Ichiyama</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				