

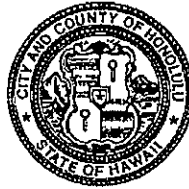
# **SB 737**

RELATING TO LIQUOR LIABILITY INSURANCE.

Removes requirement that a retail dealer shall carry liquor liability insurance in order to obtain or maintain a class 4 liquor license.  
Repeals insurance coverage exemption for convenience minimarts.

LIQUOR COMMISSION  
**CITY AND COUNTY OF HONOLULU**  
711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249  
PHONE: (808) 768-7300 or (808) 768-7355 • FAX: (808) 768-7311  
E-mail address: liquor@honolulu.gov • INTERNET: www.honolulu.gov/liq

PETER B. CARLISLE  
MAYOR



February 4, 2011

DENNIS ENOMOTO  
CHAIRMAN  
IRIS R. OKAWA  
CO-VICE CHAIR  
MICHAEL S. YAMAGUCHI  
CO-VICE CHAIR  
PATRICK K. KOBAYASHI  
COMMISSIONER  
ANNA C. HIRAI  
ACTING ADMINISTRATOR

Senator Will Espero, Chair  
Senator Michelle Kidani, Vice Chair  
Committee on Public Safety, Government Operations, and Military Affairs

**Hearing:** Tuesday, February 8, 2011  
3:15 pm; Room 224

**Position:** Support SB 737 Relating to Liquor Liability Insurance

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission **strongly support** SB 737 and urge its passage.

This bill will clarify requirements applicable to licensees by deleting the Class 4 Retail Dealer liquor license from the requirement to maintain at all times liquor liability insurance coverage in an amount not less than \$1,000,000, and to delete the related exception for "convenience minimarts." The Class 4 Retail Dealer is an off-premises consumption liquor license and as such, should be included with other off-premises consumption liquor licenses (e.g., Class 1 Manufacturer and Class 3 Wholesale Dealer) for purposes of non-inclusion in the liquor liability insurance requirement.

Thank you for the opportunity to testify on this measure, and we respectfully request your action on this matter.

Respectfully submitted,

Gerald Takase, Director  
County of Hawaii

Eric Honma, Director  
County of Kauai

Committee on Public Safety, Government Operations, and Military Affairs  
Hearing: Tuesday, February 8, 2011  
3:15 pm; Room 224

Franklyn Silva, Director  
County of Maui

  
Anna C. Hirai, Acting Administrator  
Liquor Commission

**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE HAWAII  
ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION TO S.B. NO. 737**

February 8, 2011

To: Chair Espero and Members of the Senate Committee on Public Safety, Government Operations, and Military Affairs:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in OPPOSITION to S.B. No. 737, relating to Liquor Liability Insurance.

This measure proposes a repeal of the insurance requirement for retail sellers of alcoholic beverages. HAJ opposes this measure because retail sales are involved in drunk driving accidents caused by underage drivers who purchase alcoholic drinks at retail stores. While drinking at bars and clubs is often associated with drunk driving accidents, accidents involving minors are just as likely to involve retail sales where underage drivers purchase alcohol at a store for consumption in the car, at the beach or park, or at home. Although society no longer condones the sale of alcohol to underage drivers, there are still too many stores where alcohol (like cigarettes) is sold to underage customers.

There have been cases involving major retail sellers (like supermarkets) that have sold alcohol to underage drivers who, after drinking the alcohol, have been involved in major accidents involving death and serious injuries. The insurance requirement serves two important purposes. First, insurance requirements and premiums serve as a reminder and incentive to properly train and supervise sales clerks in the need to refuse sales to underage customers; and second, the insurance serves to protect innocent citizens who may be injured or killed in connection with alcohol sales to underage drivers.

HAI strongly urges this committee to HOLD this measure and retain the incentive provided by the current insurance requirement to encourage retail sales compliance with prohibitions against sales to minors and to retain the protections afforded by insurance benefits to those injured or killed in connection with illegal sales of alcohol to underage drivers.

Thank you for this opportunity to testify in OPPOSITION to H.B. No. 737.