
HOUSE CONCURRENT RESOLUTION

REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A WORKING GROUP TO EXPLORE THE USE OF ELECTRONIC TRANSMISSION OF INSURANCE NOTICES AND DOCUMENTS AND THE POTENTIAL INCREASE TO HAWAII'S MINIMUM LIABILITY COVERAGE FOR MOTOR VEHICLE INSURANCE.

1 WHEREAS, Hawaii has adopted the model Uniform Electronic
2 Transactions Act, codified as chapter 489E, Hawaii Revised
3 Statutes; and

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5 WHEREAS, chapter 489E, Hawaii Revised Statutes, excludes
6 insurance documents and notices from its purview; and

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8 WHEREAS, insurance notices and documents are currently
9 required to be in writing; and

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11 WHEREAS, although consumers have indicated a preference to
12 obtain notices and documents by electronic means, there are
13 certain questions as to the appropriate use and application of
14 electronic notices and documents; and

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16 WHEREAS, the insurance industry, like other industries, is
17 engaged in more online and internet-based sales and
18 notifications; and

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20 WHEREAS, because the insurance marketplace is in the
21 process of this change, the State is interested in exploring the
22 appropriate balance between consumer convenience and consumer
23 protection; and

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25 WHEREAS, another aspect of the insurance industry that
26 needs to be explored relates to increasing the minimum liability
27 coverage of motor vehicle insurance; and

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1 WHEREAS, since 1997, the minimum insurance requirement for
2 bodily injury liability has been \$20,000 per person with an
3 aggregate limit of \$40,000 per accident; and
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5 WHEREAS, Hawaii is one of only fifteen states that require
6 a minimum liability coverage of \$20,000 or less; and
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8 WHEREAS, Hawaii has been the nation's most profitable
9 automobile insurance market for over fifteen years; and
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11 WHEREAS, an increase in Hawaii's minimum liability coverage
12 for motor vehicle insurance may be appropriate to provide
13 appropriate levels of benefits for individuals killed or injured
14 in traffic accidents; and
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16 WHEREAS, there is concern that the increase in minimum
17 liability coverage may result in higher insurance premiums,
18 higher numbers of uninsured drivers, and other unintended
19 consequences; and
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21 WHEREAS, potential issues related to the use of electronic
22 transmission of insurance notices and documents and an increase
23 in Hawaii's minimum liability coverage for motor vehicle
24 insurance should be explored; now, therefore,
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26 BE IT RESOLVED by the House of Representatives of the
27 Twenty-seventh Legislature of the State of Hawaii, Regular
28 Session of 2013, the Senate concurring, that the Insurance
29 Commissioner is requested to convene a working group to explore
30 the use of electronic transmission of insurance notices and
31 documents and the potential increase to Hawaii's minimum
32 liability coverage for motor vehicle insurance; and
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34 BE IT FURTHER RESOLVED that the working group be composed
35 of the Insurance Commissioner and representatives from the
36 Commission to Promote Uniform Legislation, Property Casualty
37 Insurers Association of America, Hawaii Insurers Council, and
38 State Farm Insurance Company; and
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40 BE IT FURTHER RESOLVED that the working group is also
41 requested to:
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- 1 (1) Develop alternatives for insurance notices and
- 2 documents that balance the convenience of electronic
- 3 notices and documents with consumer protection; and
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- 5 (2) Consider any corresponding reforms that may be
- 6 necessary to offset an increase in premiums that may
- 7 result from the increase in minimum liability coverage
- 8 of motor vehicle insurance; and
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10 BE IT FURTHER RESOLVED that the representatives on the
 11 working group not be considered state employees based solely
 12 upon their participation in the working group; and

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 14 BE IT FURTHER RESOLVED that the working group is requested
 15 to submit a final report of the working group's findings and
 16 recommendations, including any proposed legislation, to the
 17 Legislature no later than twenty days prior to the convening of
 18 the Regular Session of 2014; and

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 20 BE IT FURTHER RESOLVED that certified copies of this
 21 Concurrent Resolution be transmitted to the Insurance
 22 Commissioner, Commission to Promote Uniform Legislation,
 23 Property Casualty Insurers Association of America, Hawaii
 24 Insurers Council, and State Farm Insurance Company.

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OFFERED BY: 







