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## HOUSE 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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29 WHEREAS, since 1997, the minimum insurance requirement for  
30 bodily injury liability has been \$20,000 per person with an  
31 aggregate limit of \$40,000 per accident; and

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1 WHEREAS, Hawaii is one of only fifteen states that require  
2 a minimum liability coverage of \$20,000 or less; and

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4 WHEREAS, Hawaii has been the nation's most profitable  
5 automobile insurance market for over fifteen years; and

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7 WHEREAS, an increase in Hawaii's minimum liability coverage  
8 for motor vehicle insurance may be appropriate to provide  
9 appropriate levels of benefits for individuals killed or injured  
10 in traffic accidents; and

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12 WHEREAS, there is concern that the increase in minimum  
13 liability coverage may result in higher insurance premiums,  
14 higher numbers of uninsured drivers, and other unintended  
15 consequences; and

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17 WHEREAS, potential issues related to the use of electronic  
18 transmission of insurance notices and documents and an increase  
19 in Hawaii's minimum liability coverage for motor vehicle  
20 insurance should be explored; now, therefore,

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22 BE IT RESOLVED by the House of Representatives of the  
23 Twenty-seventh Legislature of the State of Hawaii, Regular  
24 Session of 2013, that the Insurance Commissioner is requested to  
25 convene a working group to explore the use of electronic  
26 transmission of insurance notices and documents and the  
27 potential increase to Hawaii's minimum liability coverage for  
28 motor vehicle insurance; and

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30 BE IT FURTHER RESOLVED that the working group be composed  
31 of the Insurance Commissioner and representatives from the  
32 Commission to Promote Uniform Legislation, Property Casualty  
33 Insurers Association of America, Hawaii Insurers Council, and  
34 State Farm Insurance Company; and

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36 BE IT FURTHER RESOLVED that the working group is also  
37 requested to:

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39 (1) Develop alternatives for insurance notices and  
40 documents that balance the convenience of electronic  
41 notices and documents with consumer protection; and

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43 (2) Consider any corresponding reforms that may be  
44 necessary to offset an increase in premiums that may



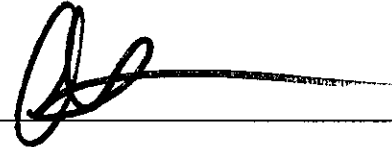

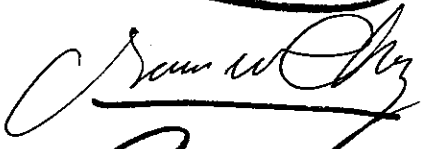

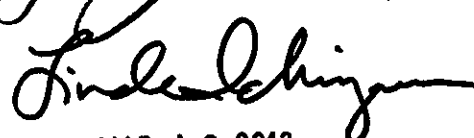
1 result from the increase in minimum liability coverage  
2 of motor vehicle insurance; and  
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4 BE IT FURTHER RESOLVED that the representatives on the  
5 working group not be considered state employees based solely  
6 upon their participation in the working group; and  
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8 BE IT FURTHER RESOLVED that the working group is requested  
9 to submit a final report of the working group's findings and  
10 recommendations, including any proposed legislation, to the  
11 Legislature no later than twenty days prior to the convening of  
12 the Regular Session of 2014; and  
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14 BE IT FURTHER RESOLVED that certified copies of this  
15 Resolution be transmitted to the Insurance Commissioner,  
16 Commission to Promote Uniform Legislation, Property Casualty  
17 Insurers Association of America, Hawaii Insurers Council, and  
18 State Farm Insurance Company.  
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OFFERED BY:

  
Debra A Rieppi  
  
  
  


MAR 13 2013

