

STAND. COM. REP. NO. 226

Honolulu, Hawaii
February 8, 2013

RE: H.B. No. 136
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 136 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to address the problem of uninsured vehicles in the State by:

- (1) Establishing a working group to assist in the development of a program to identify uninsured motor vehicles in the State using web-based technology;
- (2) Establishing the motor vehicle insurance verification special fund to develop and operate a program to identify uninsured motor vehicles in the State;
- (3) Removing duplicative requirements regarding insurance identification cards, safety inspections, and driver examinations;
- (4) Removing judges' discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance; and



- (5) Requiring that a portion of certain specified fines be deposited into the motor vehicle insurance verification special fund.

The Department of Commerce and Consumer Affairs, City and County of Honolulu, Honolulu Police Department, and Hawaii Insurers Council testified in support of this measure. Property Casualty Insurers Association of America testified in support of this measure with amendments. The Department of Budget and Finance, State Farm Mutual Automobile Insurance Company, and several individuals testified in opposition to this measure.

Your Committee has amended this measure by:

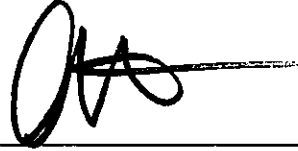
- (1) Specifying that the motor vehicle insurance verification program shall adhere to industry standards as prescribed by the Insurance Industry Committee on Motor Vehicle Administration;
- (2) Deleting the section that amended the state motor vehicle registration fee;
- (3) Adding a new section to establish a state vehicle emblem fee of \$1; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that your Committee on Finance consider whether the state vehicle emblem fee of \$1 is an appropriate and effective means of promoting safer roads, should that Committee consider this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 1, and be referred to the Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



