

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 690

H.D. 2

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 690, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to provide more adequate
benefits to individuals killed or injured in traffic accidents by
increasing motor vehicle liability insurance coverage from not
less than \$20,000 per person to not less than \$35,000 per person.

The Hawaii Association for Justice testified in support of
this measure. USAA; National Association of Mutual Insurance
Companies; State Farm Mutual Automobile Insurance Company; GEICO;
EAN Holdings, LLC; and an individual testified in opposition to
this measure. The Department of Commerce and Consumer Affairs and
Hawaii Insurers Council provided comments on this measure.

Your Committees have amended this measure by:

- (1) Changing the minimum motor vehicle liability coverage to
not less than \$30,000 per person; and
- (2) Changing its effective date to July 1, 2112, to
encourage further discussion.



Your Committees note that the average claim in the State for all damages arising out of accidental harm sustained as a result of any one accident of a motor vehicle is \$25,000. Because the current minimum liability coverage for motor vehicles is \$20,000 in Hawaii, insurance policy holders may be exposed to additional out of pocket payments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 690, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 690, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



KARL RHOADS, Chair



ANGUS L.K. MCKELVEY, Chair



