

STAND. COM. REP. NO.

974

Honolulu, Hawaii

March 15, 2013

RE: S.B. No. 495  
S.D. 2  
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 Transportation, to which was referred S.B. No. 495, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to implement certain recommendations of the Insurance Verification Working Group by, among other things:

- (1) Establishing a working group attached to the Department of Commerce and Consumer Affairs to assist in the development of requests for proposals, vendor selection, and program development for a motor vehicle insurance verification program;
- (2) Increasing the annual motor vehicle registration fee;
- (3) Removing requirements that would become duplicative and unnecessary for insurance identification cards and safety inspection requirements once the motor vehicle insurance verification program becomes effective; and
- (4) Allocating a portion of motor vehicle registration fees to be deposited to the credit of the compliance resolution fund and allocating a portion of certain fines to be deposited into the general fund.

SB495 HD1 HSCR TRN HMS 2013-2703



The Judiciary, Honolulu Police Department, Property Casualty Insurers Association of America, and a concerned individual supported this measure. The Department of Commerce and Consumer Affairs supported this measure with amendments. Hawaii Insurers Council opposed this measure. The Department of Customer Services of the City and County of Honolulu and Tax Foundation of Hawaii provided comments.

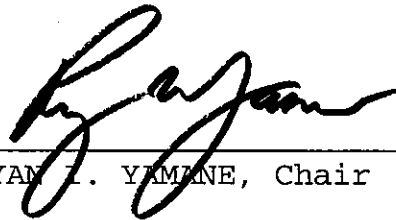
Your Committee has amended this measure by:

- (1) Specifying that the working group shall consider the impact on the uninsured motorist population if minimum bodily injury liabilities are increased;
- (2) Establishing a special fund for the development and operation of a motor vehicle insurance verification program and exempting monies in the special fund from transfer to the general fund for administrative expenses and from deposit in the compliance resolution fund;
- (3) Removing the increase to the annual motor vehicle registration fee;
- (4) Changing the fine for the first violation of requirements to have a motor vehicle insurance policy in effect to \$125 and removing judges' discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance;
- (5) Requiring the first \$25 of any fine imposed for violation of motor vehicle insurance requirements to be deposited into the special fund, and the remaining fines to be deposited into the general fund;
- (6) Specifying that the collection of fees and other provisions relating to the special fund shall take effect on January 1, 2014, and the implementation of the Department of Commerce and Consumer Affairs' program to identify uninsured motor vehicles shall take effect on January 1, 2015; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 495, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



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RYAN I. YAMINE, Chair



Record of Votes of the Committee on Transportation

Bill/Resolution No.: <b>SB 495.SD2</b>	Committee Referral: <b>TRN, CPC, FIN</b>	Date: <b>3/13/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>TRN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. YAMANE, Ryan I. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HASHEM, Mark J.	✓			
5. ING, Kaniela	✓			
6. NAKASHIMA, Mark M.	✓			
7. TAKUMI, Roy M.				✓
8. YAMASHITA, Kyle T.				✓
9. FUKUMOTO, Beth	✓			
<b>TOTAL (9)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Linda Ichiyama</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				