

STAND. COM. REP. NO.

268

Honolulu, Hawaii

FEB 14 2013

RE: S.B. No. 495  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and  
Transportation and International Affairs, to which was referred  
S.B. No. 495 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to implement the  
recommendations of the Insurance Verification Working Group,  
including:

- (1) Establishing a working group to assist in development of requests for proposals and vendor selection for a motor vehicle insurance verification program;
- (2) Establishing a special fund to fund the development and operation of a motor vehicle insurance verification program and requiring a portion of certain monies to be deposited into the special fund;
- (3) Increasing the annual motor vehicle registration fee;
- (4) Removing duplicative and unnecessary requirements for insurance identification cards and safety inspection requirements; and
- (5) Removing judges' discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance.



Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Judiciary, State of Hawaii; Division of Motor Vehicle, Licensing and Permits Administration, City and County of Honolulu; Honolulu Police Department, Traffic Division; Hawaii Insurers Council; and Property Casualty Insurers Association of America. Your Committees received testimony in opposition to this measure from State Farm Mutual Automobile Insurance Company and GEICO. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that this measure implements the recommendations of the Insurance Verification Working Group, which was convened by the State Insurance Commissioner pursuant to Senate Concurrent Resolution No. 97, S.D. 1, Regular Session of 2012. In formulating its recommendations, the Insurance Verification Working Group held eight public meetings, gathered information about insurance verification systems established in other states, and reviewed civil and criminal statutory provisions pertaining to uninsured motorists.

Your Committees further find that this measure contains many of the ideas the Insurance Verification Working Group vetted and discussed during the public meetings. This measure also establishes a working group to assist with the development of a web-based system to track insured vehicles, increases fines for violators, and contains other cost effective and efficient means to identify uninsured motorists in Hawaii.

Your Committees have amended this measure by:

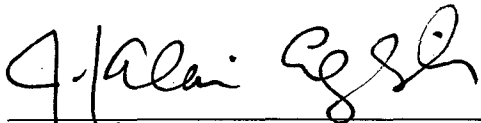
- (1) Specifying that the working group shall be attached to the Department of Commerce and Consumer Affairs;
- (2) Specifying that the motor vehicle insurance verification program shall adhere to industry standards as prescribed by the Insurance Industry Committee on Motor Vehicle Administration;
- (3) Requiring the working group to provide recommendations on ways to exclude commercial vehicles from the motor vehicle insurance verification program and an alternative means of reporting requirements for small insurers;



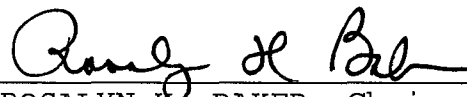
- (4) Deleting language that would have established the motor vehicle insurance verification special fund and required a portion of certain monies to be deposited into the special fund, and instead requiring the allocated portion of motor vehicle registration fees to be deposited to the credit of the compliance resolution fund and the allocated portion of fines to be deposited into the general fund;
- (5) Restoring judges' discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 495, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and  
Transportation and  
International Affairs,



J. KALANI ENGLISH, Chair

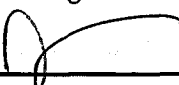


ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 495	CPN/TIA, WAM	2/6/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.				✓
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn		✓		
SLOM, Sam		✓		
<b>TOTAL</b>	3	2	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod				
File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and International Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 495	CPN/TIA, WAM	02-06-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
DELA CRUZ, Donovan M. (VC)				✓
ESPERO, Will		✓		
GABBARD, Mike				✓
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
SOLOMON, Malama	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	4	2		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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