

STAND. COM. REP. NO. **599**

Honolulu, Hawaii

MAR - 1 2013

RE: S.B. No. 495
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 495, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

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

More specifically, this measure:

- (1) Establishes a working group attached to the Department of Commerce and Consumer Affairs to assist in the development of requests for proposals and vendor selection for a motor vehicle insurance verification program;
- (2) Requires the working group to provide recommendations on ways to exclude commercial vehicles from the motor vehicle insurance verification program and an alternative means for small insurers to fulfill reporting requirements;
- (3) Increases the annual motor vehicle registration fee;
- (4) Removes duplicative and unnecessary requirements for insurance identification cards and safety inspection requirements; and



- (5) Allocates a portion of motor vehicle registration fees to be deposited to the credit of the compliance resolution fund and allocates a portion of certain fines to be deposited into the general fund.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Department of Customer Services, City and County of Honolulu.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii and the Hawaii Insurers Council.

Your Committee finds that Senate Concurrent Resolution No. 97, S.D. 1, Regular Session of 2012, requested the Insurance Commissioner to convene a working group to explore the creation of a program to track uninsured motorists. Pursuant to the Senate Concurrent Resolution, the working group was requested to:

- (1) Explore the creation of a web services-based database program to track uninsured motorists;
- (2) Establish a mechanism for funding the uninsured motorist database program and recommend penalties or sanctions for motorists found to be in violation of the State's mandatory motor vehicle insurance requirements; and
- (3) Explore other alternatives to reduce the number of uninsured motorists in the State, including alternative financing options.

Your Committee further finds that this measure implements many of the recommendations submitted by the working group in its report to the Legislature.

Your Committee has amended this measure by:


- (1) Changing in section 2, the reference to the Director of Commerce and Consumer Affairs to the respective county directors of finance, to more appropriately assign the deposit of certain motor vehicle registration fees into the compliance resolution fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 495, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 495, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* SB495, SD1 | Committee Referral: CPN KIA, WAM | Date: 2-22-13 | | |
| <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 |
| IGE, David Y. (C) | ✓ | | | |
| KIDANI, Michelle N. (VC) | ✓ | | | |
| CHUN OAKLAND, Suzanne | ✓ | | | |
| DELA CRUZ, Donovan M. | | | | ✓ |
| ENGLISH, J. Kalani | ✓ | | | |
| ESPERO, Will | | ✓ | | |
| KAHELE, Gilbert | ✓ | | | |
| KEITH-AGARAN, Gilbert S.C. | ✓ | | | |
| KOUCHI, Ronald D. | | | | ✓ |
| RUDERMAN, Russell E. | ✓ | | | |
| THIELEN, Laura H. | | ✓ | | |
| TOKUDA, Jill N. | ✓ | | | |
| SLOM, Sam | | | ✓ | |
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| TOTAL | 8 | 2 | 1 | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes