
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431:10C, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431:10C- Mandatory electronic reporting of liability
5 insurance status. (a) Before July 1, 2014, each insurer that
6 issues motor vehicle insurance policies shall advise the
7 commissioner of the electronic method to be used for reporting
8 liability coverage information under subsections (b), (c), and
9 (d). The commissioner shall determine the liability coverage
10 information and data required to be reported in a form developed
11 and prepared by the commissioner and establish an electronic
12 conversion schedule.

13 (b) Before January 1, 2015, each insurer shall report the
14 liability coverage information for all existing motor vehicle
15 insurance policies for vehicles registered in this State to the
16 commissioner in a manner that preserves existing relationships
17 and that allows smaller insurers and those with unusual
18 circumstances to be accommodated, consistent with the intent of



1 this section. Accommodation methods include an extension of the
2 mandatory electronic reporting deadline set forth in this
3 section to no later than July 1, 2015.

4 (c) After December 31, 2014, each insurer shall
5 electronically report to the commissioner all issued motor
6 vehicle insurance policies together with the liability coverage
7 information required by subsection (a) within thirty days of the
8 effective date of the coverage.

9 (d) After December 31, 2014, each insurer shall
10 electronically report to the commissioner the cancellation or
11 nonrenewal of a reported policy or any change of information
12 previously reported under subsection (b) or (c), as specified by
13 the commissioner, within forty-five days of the date of
14 cancellation, nonrenewal, or change. This report shall include
15 the effective date of the cancellation or amendment, or the last
16 date of coverage in the case of a nonrenewal, and any other
17 information that does not exceed that required under subsection
18 (c).

19 (e) The commissioner may adopt rules, pursuant to chapter
20 91, for reporting insurance information, including establishing
21 acceptable timeframes and approved methods for reporting
22 information."



1 SECTION 2. New statutory material is underscored.

2 SECTION 3. This Act shall take effect upon its approval.

3

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "J. R. ...", is written over a horizontal line.

JAN 16 2013



H.B. NO. 40

Report Title:

Motor Vehicle Insurance; Electronic Reporting

Description:

Requires motor vehicle insurers to electronically report to the insurance commissioner all existing policies within 45 days. Requires each insurer to report cancelled, nonrenewed, altered, and new policies.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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KEALI' I S. LOPEZ
DIRECTOR

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DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON TRANSPORTATION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Monday, February 11, 2013
10 a.m.

**TESTIMONY ON HOUSE BILL NO. 40 – RELATING TO MOTOR VEHICLE
INSURANCE.**

TO THE HONORABLE RYAN YAMANE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”),
testifying on behalf of the Department of Commerce and Consumer Affairs
(“Department”). The Department takes no position on this bill and offers the following
comments.

This purpose of this bill is to add a new section to Article 10C, Hawaii Revised
Statutes (“HRS”) chapter 431, mandating insurers to report motor vehicle liability
coverage information to the Commissioner within 30 days of the effective date of
coverage and to report policy cancellations or nonrenewals within 45 days of the
cancellation, nonrenewal, or change.

The Insurance Verification Working Group (“Working Group”) studied the
establishment of a statewide insurance verification program using web-based
technology, pursuant to Senate Concurrent Resolution No. 97, S.D. 1 (2012). The
Working Group’s recommendations are contained in House Bill No. 136.

We thank this Committee for the opportunity to present testimony on this matter.

DEPARTMENT OF CUSTOMER SERVICES
CITY & COUNTY OF HONOLULU
DIVISION OF MOTOR VEHICLE, LICENSING AND PERMITS
ADMINISTRATION
P.O. BOX 30300
HONOLULU, HAWAII 96820-0300

KIRK CALDWELL
MAYOR



SHERI T. KAJIWARA
DIRECTOR DESIGNATE

DENNIS A. KAMIMURA
LICENSING ADMINISTRATOR

February 8, 2013

The Honorable Ryan I. Yamane, Chair
and Members
Committee on Transportation
State House of Representatives
Hawaii State Capitol
514 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Yamane and Committee Members:

Subject: H.B. No. 40, Relating to Motor Vehicles

The City and County of Honolulu is opposed to H.B. No. 40 which would require insurance companies to electronically report motor vehicle insurance policies to the insurance commissioner.

We recommend H.B. No. 40 be held and the 2012 Senate Concurrent Resolution 97 working group recommended H.B. No. 136 be considered as the vehicle for establishment of Hawaii's motor vehicle insurance verification program.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis A. Kamimura".

Dennis A. Kamimura
Licensing Administrator

TESTIMONY OF ALISON POWERS

HOUSE COMMITTEE ON TRANSPORTATION
Representative Ryan I. Yamane, Chair
Representative Linda Ichiyama, Vice Chair

Monday, February 11, 2013
10:00 a.m.

HB 40

Chair Yamane, Vice Chair Ichiyama, and members of the Committee, my name is Alison Powers, Executive Director of the Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 40% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council opposes this bill. Hawaii Insurers Council's representative Mike Onofrietti was a member of the Insurance Verification Working Group that met extensively this past interim on the issue of developing a means to track uninsured motorists. As a result, legislation was introduced in 2013, HB 136 which contains a comprehensive approach and many consensus issues of the Working Group as well as agreed to amendments. The bill has passed out of the House Consumer Protection Committee and is not in the Judiciary Committee. As such, we ask that this bill be held.

Thank you for the opportunity to testify.

**HOUSE COMMITTEE ON
TRANSPORTATION**

February 11, 2013

House Bill 40 Relating to Motor Vehicles

Chair Yamane and members of the House Committee on Transportation, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm).

State Farm opposes House Bill 40 Relating to Motor Vehicles. This measure would impose a methodology for insurance verification which State Farm has encountered for years in numerous states and which State Farm has deemed unsuccessful in achieving the stated goals.

This model of sending files of insurance information to the state from which the state then attempts to match to their vehicle registration database results in the state making a determination of whether customers are insured. Those they determine to be uninsured (by virtue of non-matching records) would then fall under the prescribed penalties and fines.

In addition to providing broad authority to the commissioner to adopt rules, House Bill 40 would require specific time frames for reporting issuance of new coverage and coverage terminations. The time frames of 30 and 45 days from the effective date of the change respectively can be in conflict with the practical implications of the business practices for issuing and cancellation of coverage. While most policy issuance and terminations are handled in much shorter time frames, there are instances where the time required would exceed these requirements.

Moreover, House Bill 136 Relating to Insurance drafted along similar lines is moving in the House. For these reasons we oppose House Bill 40.

Thank you for the opportunity to present this testimony.