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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 PART I

2 SECTION 1. (a) There is established a working group to  
3 assist in the development of the motor vehicle insurance  
4 verification program to identify uninsured motor vehicles in the  
5 State using web-based technology. The working group shall be  
6 attached to the department of for  
7 administrative purposes.

8 (b) The purpose of the working group shall be to provide  
9 recommendations regarding:

10 (1) The development of a request for proposals from  
11 qualified vendors to perform all services necessary to  
12 develop and operate the motor vehicle insurance  
13 verification program; provided that the program shall  
14 include the following:

15 (A) Adherence to established industry standards for  
16 real-time automotive liability insurance  
17 verifications as prescribed by the Insurance



- 1 Industry Committee on Motor Vehicle  
2 Administration;
- 3 (B) Sending of notification letters to uninsured  
4 motorists, specifically targeting repeat  
5 offenders, with additional checks;
- 6 (C) Providing for suspension of motor vehicle  
7 registration upon failure to respond to  
8 notification letters; and
- 9 (D) Implementation of the program by January 1, 2015;
- 10 (2) The selection of a qualified vendor; and
- 11 (3) Appropriate benchmarking criteria and reporting  
12 requirements to determine program efficacy and measure  
13 the proportion of uninsured motor vehicles to insured  
14 motor vehicles.
- 15 (c) The working group shall comprise the following members  
16 or the members' designee:
- 17 (1) The insurance commissioner;
- 18 (2) The deputy chief court administrator of the district  
19 court of the first circuit;
- 20 (3) The court administrator of the traffic violations  
21 bureau of the district court of the first circuit;



- 1 (4) The administrator of the motor vehicle and licensing
- 2 division of the city and county of Honolulu;
- 3 (5) A representative of the Honolulu police department,
- 4 traffic division;
- 5 (6) A representative of the Hawaii Insurers Council;
- 6 (7) A representative of the Property Casualty Insurers
- 7 Association of America;
- 8 (8) A representative of the department of information
- 9 technology of the city and county of Honolulu;
- 10 (9) A representative of the commerce and economic
- 11 development division of the department of the attorney
- 12 general; and
- 13 (10) Other members, as deemed appropriate by the chair of
- 14 the working group.

15 The insurance commissioner shall serve as chair of the working  
16 group.

17 (d) The working group shall cease to exist on January 1,  
18 2015.

19 PART II

20 SECTION 2. Chapter , Hawaii Revised Statutes, is  
21 amended by adding a new section to be appropriately designated  
22 and to read as follows:



1           "§ -A Motor vehicle insurance verification program;  
 2 special fund established. (a) The \_\_\_\_\_ shall develop  
 3 and operate a program to identify uninsured motor vehicles in  
 4 the State.

5           (b) There is established within the state treasury a  
 6 special fund to be known as the motor vehicle insurance  
 7 verification special fund, into which shall be deposited the  
 8 following moneys:

9           (1) The state vehicle emblem fees provided for by section  
 10           249- \_\_\_\_\_ ; and

11           (2) The allocated portion of fines provided for by section  
 12           431:10C-117.

13 All interest accrued on moneys deposited in the fund shall  
 14 become part of the fund.

15           (c) The motor vehicle insurance verification special fund  
 16 shall be administered by the \_\_\_\_\_ and shall be used for  
 17 developing and operating a program to identify uninsured motor  
 18 vehicles in the State."

19           SECTION 3. Chapter 249, Hawaii Revised Statutes, is  
 20 amended by adding a new section to be appropriately designated  
 21 and to read as follows:



1        "§249-        State vehicle emblem fee. (a) In addition to  
2 any emblem fee required by the counties, all vehicles and motor  
3 vehicles in the State as defined in section 249-1, including  
4 antique motor vehicles, except as otherwise provided in sections  
5 249-4 and 249-6, shall be subject to a \$1 annual state vehicle  
6 emblem fee. The fee shall be paid each year together with all  
7 other taxes and fees levied by this chapter so that the state  
8 vehicle emblem fee is due and payable at the same time and shall  
9 be collected together with the state vehicle registration fee  
10 pursuant to section 249-31 and the county fee. The state emblem  
11 fee shall be deemed delinquent if not paid with the state and  
12 county registration fees. The respective counties shall collect  
13 this fee together with the vehicle registration fee collected  
14 for the county and shall transfer the moneys collected under  
15 this section to the State.

16        (b) The director shall deposit all moneys collected from  
17 the annual state vehicle emblem fee into the motor vehicle  
18 insurance verification special fund."

19        SECTION 4. Section 26-9, Hawaii Revised Statutes, is  
20 amended by amending subsection (o) to read as follows:

21        "(o) Every person licensed under any chapter within the  
22 jurisdiction of the department of commerce and consumer affairs



1 and every person licensed subject to chapter 485A or registered  
2 under chapter 467B shall pay upon issuance of a license, permit,  
3 certificate, or registration a fee and a subsequent annual fee  
4 to be determined by the director and adjusted from time to time  
5 to ensure that the proceeds, together with all other fines,  
6 income, and penalties collected under this section, do not  
7 surpass the annual operating costs of conducting compliance  
8 resolution activities required under this section. The fees may  
9 be collected biennially or pursuant to rules adopted under  
10 chapter 91, and shall be deposited into the special fund  
11 established under this subsection. Every filing pursuant to  
12 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
13 initial filing and at each renewal period in which a renewal is  
14 required, a fee that shall be prescribed by rules adopted under  
15 chapter 91, and that shall be deposited into the special fund  
16 established under this subsection. Any unpaid fee shall be paid  
17 by the licensed person, upon application for renewal,  
18 restoration, reactivation, or reinstatement of a license, and by  
19 the person responsible for the renewal, restoration,  
20 reactivation, or reinstatement of a license, upon the  
21 application for renewal, restoration, reactivation, or  
22 reinstatement of the license. If the fees are not paid, the



1 director may deny renewal, restoration, reactivation, or  
2 reinstatement of the license. The director may establish,  
3 increase, decrease, or repeal the fees when necessary pursuant  
4 to rules adopted under chapter 91. The director may also  
5 increase or decrease the fees pursuant to section 92-28.

6 There is created in the state treasury a special fund to be  
7 known as the compliance resolution fund to be expended by the  
8 director's designated representatives as provided by this  
9 subsection. Notwithstanding any law to the contrary, all  
10 revenues, fees, and fines collected by the department shall be  
11 deposited into the compliance resolution fund. Unencumbered  
12 balances existing on June 30, 1999, in the cable television fund  
13 under chapter 440G, the division of consumer advocacy fund under  
14 chapter 269, the financial institution examiners' revolving  
15 fund, section 412:2-109, the special handling fund, section  
16 414-13, and unencumbered balances existing on June 30, 2002, in  
17 the insurance regulation fund, section 431:2-215, shall be  
18 deposited into the compliance resolution fund. This provision  
19 shall not apply to the drivers education fund underwriters fee,  
20 sections 431:10C-115 and 431:10G-107, insurance premium taxes  
21 and revenues, revenues of the workers' compensation special  
22 compensation fund, section 386-151, the captive insurance



1 administrative fund, section 431:19-101.8, the insurance  
2 commissioner's education and training fund, section 431:2-214,  
3 the medical malpractice patients' compensation fund as  
4 administered under section 5 of Act 232, Session Laws of Hawaii  
5 1984, the portion of fines imposed under section 431:10C-117(a)  
6 deposited into the motor vehicle insurance verification special  
7 fund established under section -A, and fees collected for  
8 deposit in the office of consumer protection restitution fund,  
9 section 487-14, the real estate appraisers fund, section 466K-1,  
10 the real estate recovery fund, section 467-16, the real estate  
11 education fund, section 467-19, the contractors recovery fund,  
12 section 444-26, the contractors education fund, section 444-29,  
13 the condominium education trust fund, section 514B-71, and the  
14 mortgage foreclosure dispute resolution special fund, section  
15 667-86. Any law to the contrary notwithstanding, the director  
16 may use the moneys in the fund to employ, without regard to  
17 chapter 76, hearings officers and attorneys. All other  
18 employees may be employed in accordance with chapter 76. Any  
19 law to the contrary notwithstanding, the moneys in the fund  
20 shall be used to fund the operations of the department. The  
21 moneys in the fund may be used to train personnel as the  
22 director deems necessary and for any other activity related to





1 compliance resolution.

2 As used in this subsection, unless otherwise required by  
3 the context, "compliance resolution" means a determination of  
4 whether:

- 5 (1) Any licensee or applicant under any chapter subject to  
6 the jurisdiction of the department of commerce and  
7 consumer affairs has complied with that chapter;
- 8 (2) Any person subject to chapter 485A has complied with  
9 that chapter;
- 10 (3) Any person submitting any filing required by chapter  
11 514E or section 485A-202(a)(26) has complied with  
12 chapter 514E or section 485A-202(a)(26);
- 13 (4) Any person has complied with the prohibitions against  
14 unfair and deceptive acts or practices in trade or  
15 commerce; or
- 16 (5) Any person subject to chapter 467B has complied with  
17 that chapter;

18 and includes work involved in or supporting the above functions,  
19 licensing, or registration of individuals or companies regulated  
20 by the department, consumer protection, and other activities of  
21 the department.



1           The director shall prepare and submit an annual report to  
2 the governor and the legislature on the use of the compliance  
3 resolution fund. The report shall describe expenditures made  
4 from the fund including non-payroll operating expenses."

5           SECTION 5. Section 36-27, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7           "(a) Except as provided in this section, and  
8 notwithstanding any other law to the contrary, from time to  
9 time, the director of finance, for the purpose of defraying the  
10 prorated estimate of central service expenses of government in  
11 relation to all special funds, except the:

- 12           (1) Special out-of-school time instructional program fund  
13                 under section 302A-1310;
- 14           (2) School cafeteria special funds of the department of  
15                 education;
- 16           (3) Special funds of the University of Hawaii;
- 17           (4) State educational facilities improvement special fund;
- 18           (5) Convention center enterprise special fund under  
19                 section 201B-8;
- 20           (6) Special funds established by section 206E-6;
- 21           (7) Housing loan program revenue bond special fund;
- 22           (8) Housing project bond special fund;



- 1 (9) Aloha Tower fund created by section 206J-17;
- 2 (10) Funds of the employees' retirement system created by
- 3 section 88-109;
- 4 (11) Unemployment compensation fund established under
- 5 section 383-121;
- 6 (12) Hawaii hurricane relief fund established under chapter
- 7 431P;
- 8 (13) Hawaii health systems corporation special funds and
- 9 the subaccounts of its regional system boards;
- 10 (14) Tourism special fund established under section 201B-
- 11 11;
- 12 (15) Universal service fund established under section 269-
- 13 42;
- 14 (16) Emergency and budget reserve fund under section 328L-
- 15 3;
- 16 (17) Public schools special fees and charges fund under
- 17 section 302A-1130;
- 18 (18) Sport fish special fund under section 187A-9.5;
- 19 (19) Glass advance disposal fee established by section
- 20 342G-82;
- 21 (20) Center for nursing special fund under section 304A-
- 22 2163;



- 1 (21) Passenger facility charge special fund established by
  - 2 section 261-5.5;
  - 3 (22) Court interpreting services revolving fund under
  - 4 section 607-1.5;
  - 5 (23) Hawaii cancer research special fund;
  - 6 (24) Community health centers special fund;
  - 7 (25) Emergency medical services special fund;
  - 8 (26) Rental motor vehicle customer facility charge special
  - 9 fund established under section 261-5.6; ~~and~~
  - 10 (27) Shared services technology special fund under section
  - 11 27-43[7]; and
  - 12 (28) Motor vehicle insurance verification special fund
  - 13 established under section -A,
- 14 shall deduct five per cent of all receipts of all special funds,
- 15 which deduction shall be transferred to the general fund of the
- 16 State and become general realizations of the State. All
- 17 officers of the State and other persons having power to allocate
- 18 or disburse any special funds shall cooperate with the director
- 19 in effecting these transfers. To determine the proper revenue
- 20 base upon which the central service assessment is to be
- 21 calculated, the director shall adopt rules pursuant to chapter
- 22 91 for the purpose of suspending or limiting the application of

1 the central service assessment of any fund. No later than  
2 twenty days prior to the convening of each regular session of  
3 the legislature, the director shall report all central service  
4 assessments made during the preceding fiscal year."

5 SECTION 6. Section 36-30, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) Each special fund, except the:

- 8 (1) Transportation use special fund established by section  
9 261D-1;
- 10 (2) Special out-of-school time instructional program fund  
11 under section 302A-1310;
- 12 (3) School cafeteria special funds of the department of  
13 education;
- 14 (4) Special funds of the University of Hawaii;
- 15 (5) State educational facilities improvement special fund;
- 16 (6) Special funds established by section 206E-6;
- 17 (7) Aloha Tower fund created by section 206J-17;
- 18 (8) Funds of the employees' retirement system created by  
19 section 88-109;
- 20 (9) Unemployment compensation fund established under  
21 section 383-121;



- 1 (10) Hawaii hurricane relief fund established under section
- 2 431P-2;
- 3 (11) Convention center enterprise special fund established
- 4 under section 201B-8;
- 5 (12) Hawaii health systems corporation special funds and
- 6 the subaccounts of its regional system boards;
- 7 (13) Tourism special fund established under section 201B-
- 8 11;
- 9 (14) Universal service fund established under section 269-
- 10 42;
- 11 (15) Emergency and budget reserve fund under section 328L-
- 12 3;
- 13 (16) Public schools special fees and charges fund under
- 14 section 302A-1130;
- 15 (17) Sport fish special fund under section 187A-9.5;
- 16 (18) Center for nursing special fund under section 304A-
- 17 2163;
- 18 (19) Passenger facility charge special fund established by
- 19 section 261-5.5;
- 20 (20) Court interpreting services revolving fund under
- 21 section 607-1.5;
- 22 (21) Hawaii cancer research special fund;



- 1 (22) Community health centers special fund;
- 2 (23) Emergency medical services special fund;
- 3 (24) Rental motor vehicle customer facility charge special
- 4 fund established under section 261-5.6; [~~and~~]
- 5 (25) Shared services technology special fund under section
- 6 27-43[~~7~~]; and
- 7 (26) Motor vehicle insurance verification special fund
- 8 established under section -A,

9 shall be responsible for its pro rata share of the  
 10 administrative expenses incurred by the department responsible  
 11 for the operations supported by the special fund concerned."

12 SECTION 7. Section 431:2-215, Hawaii Revised Statutes, is  
 13 amended by amending subsection (a) to read as follows:

14 "(a) All assessments, fees, fines, penalties, and  
 15 reimbursements collected by or on behalf of the insurance  
 16 division under title 24, except for the motor vehicle insurance  
 17 verification special fund (section -A), the commissioner's  
 18 education and training fund (section 431:2-214), the patients'  
 19 compensation fund (Act 232, Session Laws of Hawaii 1984), the  
 20 drivers education fund underwriters fee (sections 431:10C-115  
 21 and 431:10G-107), and the captive insurance administrative fund  
 22 (section 431:19-101.8) to the extent provided by section 431:19-



1 101.8(b), shall be deposited into the compliance resolution fund  
2 under section 26-9(o). All sums transferred from the insurance  
3 division into the compliance resolution fund may be expended by  
4 the commissioner to carry out the commissioner's duties and  
5 obligations under title 24."

6 SECTION 8. Section 431:10C-117, Hawaii Revised Statutes,  
7 is amended by amending subsection (a) to read as follows:

8 "(a) (1) Any person subject to this article in the  
9 capacity of the operator, owner, or registrant of a  
10 motor vehicle operated in this State, or registered in  
11 this State, who violates any applicable provision of  
12 this article, shall be subject to citation for the  
13 violation by any county police department in a form  
14 and manner approved by the traffic violations bureau  
15 of the district court of the first circuit;

16 (2) Notwithstanding any provision of the Hawaii Penal  
17 Code:

18 (A) Each violation shall be deemed a separate offense  
19 and shall be subject to a fine of not less than  
20 \$100 nor more than \$5,000 which shall not be  
21 suspended [~~except as provided in subparagraph~~  
22 ~~(B)~~]; and





1 (B) If the person is convicted of not having had a  
2 motor vehicle insurance policy in effect at the  
3 time the citation was issued, the fine shall be  
4 \$500 for the first offense and a minimum of  
5 \$1,500 for each subsequent offense that occurs  
6 within a five-year period from any prior offense;  
7 provided that the judge:

8 (i) Shall have the discretion [~~to suspend all or~~  
9 ~~any portion of the fine if the defendant~~  
10 ~~provides proof of having a current motor~~  
11 ~~vehicle insurance policy; provided further~~  
12 ~~that~~], upon the defendant's request, [~~the~~  
13 ~~judge may~~] to grant community service in  
14 lieu of the fine, of not less than seventy-  
15 five hours and not more than one hundred  
16 hours for the first offense, and not less  
17 than two hundred hours nor more than two  
18 hundred seventy-five hours for the second  
19 offense; and  
20 (ii) May grant community service in lieu of the  
21 fine for subsequent offenses at the judge's  
22 discretion;



1 (3) In addition to the fine in paragraph (2), the court  
2 shall either:

3 (A) Suspend the driver's license of the driver or of  
4 the registered owner for:

5 (i) Three months for the first conviction; and

6 (ii) One year for any subsequent offense within a  
7 five-year period from a previous offense;

8 provided that the driver or the registered owner  
9 shall not be required to obtain proof of

10 financial responsibility pursuant to section 287-  
11 20; or

12 (B) Require the driver or the registered owner to  
13 keep a nonrefundable motor vehicle insurance

14 policy in force for six months;

15 (4) Any person cited under this section shall have an  
16 opportunity to present a good faith defense, including

17 but not limited to lack of knowledge or proof of  
18 insurance. The general penalty provision of this

19 section shall not apply to:

20 (A) Any operator of a motor vehicle owned by another  
21 person if the operator's own insurance covers

22 such driving;



- 1 (B) Any operator of a motor vehicle owned by that
- 2 person's employer during the normal scope of that
- 3 person's employment; or
- 4 (C) Any operator of a borrowed motor vehicle if the
- 5 operator holds a reasonable belief that the
- 6 subject vehicle is insured;
- 7 (5) In the case of multiple convictions for driving
- 8 without a valid motor vehicle insurance policy within
- 9 a five-year period from any prior offense, the court,
- 10 in addition to any other penalty, shall impose the
- 11 following penalties:
- 12 (A) Imprisonment of not more than thirty days;
- 13 (B) Suspension or revocation of the motor vehicle
- 14 registration plates of the vehicle involved;
- 15 (C) Impoundment, or impoundment and sale, of the
- 16 motor vehicle for the costs of storage and other
- 17 charges incident to seizure of the vehicle, or
- 18 any other cost involved pursuant to section
- 19 431:10C-301; or
- 20 (D) Any combination of those penalties; [~~and~~]



1 (6) Any violation as provided in subsection (a) (2) (B)  
2 shall not be deemed to be a traffic infraction as  
3 defined by chapter 291D[-]; and

4 (7) \$ of any fine imposed under this subsection shall  
5 be deposited into the motor vehicle insurance  
6 verification special fund."

7 PART III

8 SECTION 9. Section 286-26, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§286-26 Certificates of inspection.** (a) The following  
11 vehicles shall be certified as provided in subsection (e) once  
12 every year:

13 (1) Trucks, truck-tractors, semitrailers, and pole  
14 trailers having a gross vehicle weight rating of more  
15 than 10,000 pounds;

16 (2) Buses;

17 (3) Rental or U-drive motor vehicles two years of age or  
18 older; and

19 (4) Taxicabs.

20 Ambulances shall be certified as provided in subsection (e) once  
21 every six months.



1 (b) All other vehicles, including motorcycles, trailers,  
2 semitrailers, and pole trailers having a gross vehicle weight  
3 rating of 10,000 pounds or less, and antique motor vehicles as  
4 defined in section 249-1, except those in subsections (c) and  
5 (d), shall be certified as provided in subsection (e) every  
6 twelve months; provided that any vehicle to which this  
7 subsection applies shall not require inspection within two years  
8 of the date on which the vehicle was first sold.

9 (c) Any vehicle that has been involved in an accident  
10 shall be certified as provided in subsection (e) before it is  
11 operated again if:

12 (1) It is determined by a police officer or an insurer  
13 that the vehicle's equipment has been damaged so as to  
14 render the vehicle unsafe; or

15 (2) It is rebuilt or restored.

16 (d) Every vehicle shall be certified prior to the issuance  
17 of a temporary or permanent registration by the director of  
18 finance and prior to the transfer of any registration; provided  
19 that this requirement shall not apply to a subsequent transfer  
20 of registration in a vehicle that carries a current certificate  
21 of inspection.



1 (e) Upon application for a certificate of inspection to be  
2 issued for a vehicle, an inspection as prescribed by the  
3 director under subsection (g) shall be conducted on the vehicle,  
4 and if the vehicle is found to be in a safe operating condition,  
5 a certificate of inspection shall be issued upon payment of a  
6 fee to be determined by the director. [~~The certificate shall~~  
7 ~~state the effective date, the termination date, the name of the~~  
8 ~~issuing insurance carrier, and the policy number of the motor~~  
9 ~~vehicle insurance identification card for the inspected motor~~  
10 ~~vehicle as specified by section 431:10C 107 or state the~~  
11 ~~information contained in the proof of insurance card as~~  
12 ~~specified by section 431:10C 106.] A sticker, authorized by the  
13 director, shall be affixed to the vehicle at the time a  
14 certificate of inspection is issued. An inspection sticker  
15 which has been lost, stolen, or destroyed shall be replaced  
16 without reinspection by the inspection station that issued the  
17 original inspection sticker upon presentation of the vehicle's  
18 current certificate of inspection; provided that the current  
19 certificate of inspection and inspection sticker shall not have  
20 expired at the time the replacement is requested. The director  
21 shall adopt rules to determine the fee for replacement of lost,  
22 stolen, or destroyed inspection stickers.~~



1           (f) The operator of an official inspection station shall  
2 pay, from the fee in subsection (e), an amount to be determined  
3 by rules adopted pursuant to chapter 91 to the director of  
4 transportation. This amount shall be expended only for  
5 administration and enforcement of the periodic motor vehicle  
6 inspection program. The funds collected pursuant to this  
7 subsection shall be deposited into the highway special fund.

8           (g) The director of transportation shall adopt necessary  
9 rules for the administration of inspections and the issuance of  
10 certificates of inspection.

11           (h) This section shall not apply to:

12           (1) Any motor vehicle which is covered by part XI,  
13 governing safety of motor carrier vehicle operation  
14 and equipment; provided that the rules adopted  
15 pursuant to part IA impose standards of inspection at  
16 least as strict as those imposed under subsection (g)  
17 and that certification is required at least as often  
18 as provided in subsections (a), (b), (c), and (d); and

19           (2) Aircraft servicing vehicles that are being used  
20 exclusively on lands set aside to the department of  
21 transportation for airport purposes.



1       ~~[(i) As part of the inspection required by this section,~~  
2       ~~the owner of the vehicle to be inspected shall produce and~~  
3       ~~display the motor vehicle insurance identification card for the~~  
4       ~~inspected motor vehicle required by section 431:10C 107 or the~~  
5       ~~proof of insurance card required by section 431:10G 106. If no~~  
6       ~~card is displayed, then the sticker authorized by the director~~  
7       ~~shall not be affixed to the vehicle and the certificate of~~  
8       ~~inspection shall not be issued.]"~~

9       SECTION 10. Section 286-108, Hawaii Revised Statutes, is  
10       amended by amending subsection (d) to read as follows:

11       "(d) As part of the examination required by this section,  
12       ~~[the applicant for a driver's license shall produce and display~~  
13       ~~a valid motor vehicle or liability insurance identification card~~  
14       ~~for the motor vehicle required by sections 431:10C 107 and~~  
15       ~~431:10G 106, when the applicant demonstrates the ability to~~  
16       ~~operate a motor vehicle to the satisfaction of the examiner of~~  
17       ~~drivers. If no valid motor vehicle or liability insurance~~  
18       ~~identification card is displayed, the examiner of drivers shall~~  
19       ~~not issue a driver's license to the applicant.]~~ the examiner of  
20       drivers shall confirm through the motor vehicle insurance  
21       verification program established under section -A that the  
22       vehicle to be used by the applicant to demonstrate the ability





1 to operate a motor vehicle is insured. If the motor vehicle  
2 insurance verification program indicates that the vehicle is not  
3 insured, the examiner of drivers shall not permit the applicant  
4 to use the uninsured vehicle to demonstrate the ability to  
5 operate a motor vehicle."

6 SECTION 11. Section 431:10C-107, Hawaii Revised Statutes,  
7 is amended to read as follows:

8 **"§431:10C-107 Verification of insurance: motor vehicles.**

9 (a) Every insurer shall issue to its insureds a motor vehicle  
10 insurance identification card for each motor vehicle for which  
11 the basic motor vehicle insurance coverage is written. The  
12 identification card shall contain the following:

13 (1) Name of make and factory or serial number of the motor  
14 vehicle; provided that insurers of five or more motor  
15 vehicles which are under common registered ownership  
16 and used in the regular course of business shall not  
17 be required to indicate the name of make and the  
18 factory or serial number of each motor vehicle;

19 (2) Policy number;

20 (3) Names of the insured and the insurer; and

21 (4) Effective dates of coverage including the expiration  
22 date.



1 (b) The identification card shall be in the insured motor  
2 vehicle at all times and shall be exhibited to a law enforcement  
3 officer upon demand.

4 ~~[(c) The identification card shall be resistant to forgery~~  
5 ~~by whatever means appropriate. The commissioner shall approve~~  
6 ~~the construction, form, and design of the identification card to~~  
7 ~~ensure that the card is forgery resistant.~~

8 ~~+(d)]~~ (c) The commissioner shall issue a certificate of  
9 self-insurance periodically, as necessary, for use in each motor  
10 vehicle insured under section 431:10C-105.

11 ~~[(e)]~~ (d) The identification card issued by an insurer  
12 shall not be issued for a period exceeding the period for which  
13 premiums have been paid or earned; provided that this subsection  
14 shall apply only to the first application of a person for a  
15 motor vehicle insurance policy and shall not apply to  
16 applications for commercial vehicles and fleet vehicles."

17 SECTION 12. Section 805-13, Hawaii Revised Statutes, is  
18 amended by amending subsection (d) to read as follows:

19 "(d) Upon subsequent hearing ordered by the court or upon  
20 the driver's or registered owner's motion, the court may, in its  
21 discretion, terminate any judgment previously entered under  
22 subsection (c) upon finding that the registered owner and the



1 driver, as applicable, have complied with chapter 287 with  
2 respect to any prior accident as evidenced by a form properly  
3 validated by a police department and:

4 (1) Complied with all requirements under chapter 431:10C  
5 as evidenced by a motor vehicle insurance  
6 identification card and the insurance policy issued by  
7 a licensed insurer; or

8 (2) Complied with all requirements under chapter 431:10C  
9 as evidenced by a certificate of self-insurance issued  
10 by the insurance commissioner pursuant to section  
11 [~~431:10C-107(d)~~] 431:10C-107(c)."

12 PART IV

13 SECTION 13. In codifying the new section added by section  
14 2 of this Act, the revisor of statutes shall substitute an  
15 appropriate section number for the letter used in designating  
16 the new section in this Act.

17 SECTION 14. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 15. This Act shall take effect on July 1, 2013;  
20 provided that:

21 (1) Part III shall take effect on January 1, 2015;



- 1           (2) The amendments made to section 26-9(o), Hawaii Revised  
2           Statutes, by this Act shall not be repealed when that  
3           section is reenacted on September 30, 2014, pursuant  
4           to Act 48, Session Laws of Hawaii 2011; and
- 5           (3) This Act shall be repealed on June 30, 2020, and  
6           sections 26-9(o), 36-27(a), 36-30(a), 286-26, 286-  
7           108(d), 431:2-215(a), 431:10C-107, 431:10C-117(a), and  
8           805-13(d), Hawaii Revised Statutes, shall be reenacted  
9           in the form in which they read on the day before the  
10          effective date of this Act.



**Report Title:**

Insurance Verification Working Group; Motor Vehicle Insurance

**Description:**

Establishes working group to assist in development of motor vehicle insurance verification program. Establishes special fund. Creates annual state vehicle emblem fee. Amends insurance identification card and safety inspection requirements. Mandates fines for failure to have insurance in all cases. Effective July 1, 2013. Repealed June 30, 2020.

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

