
A BILL FOR AN ACT

RELATING TO INSURANCE.

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 part to be appropriately designated and
3 to read as follows:

4 "PART UNINSURED MOTORIST IDENTIFICATION DATABASE PROGRAM

5 §431:10C-A Definitions. As used in this part:

6 "Database" means the uninsured motorist identification
7 database established in section 431:10C-B.

8 "Designated agent" means the third party the insurance
9 division contracts with under section 431:10C-B.

10 "Insurance division" means the insurance division of the
11 department of commerce and consumer affairs.

12 "Program" means the uninsured motorist identification
13 database program established in section 431:10C-B.

14 §431:10C-B Uninsured motorist identification database
15 program; establishment, administration, selection of designated
16 agent, duties, rules. (a) The insurance division, in
17 cooperation with the counties, shall establish an uninsured
18 motorist identification database program.



1 (b) The program shall:

2 (1) Establish an uninsured motorist identification
3 database to verify compliance with motor vehicle
4 insurance requirements under this article; and

5 (2) Assist in reducing the number of uninsured motor
6 vehicles on the highways of the State.

7 (b) The insurance division shall contract with a third
8 party to establish and maintain an uninsured motorist
9 identification database for the purposes established in
10 subsection (a).

11 The contract may not obligate the insurance division to pay
12 the third party more money than is available in the uninsured
13 motorist identification special fund established under section
14 431:10C-C.

15 (c) The third party under contract made pursuant to this
16 section shall be the insurance division's designated agent, and
17 shall develop and maintain the database using information
18 provided by:

19 (1) Motor vehicle insurers under section 431:10C-D; and

20 (2) The director of finance of each county.

21 The database shall be developed and maintained by the designated
22 agent in accordance with guidelines established by the insurance



1 division so that state and local law enforcement agencies can
2 efficiently access the records of the database, including
3 reports useful for the implementation of the provisions of this
4 part.

5 The reports provided by the designated agent shall be in a
6 form and contain information approved by the insurance division.

7 The reports may be made available through the Internet or
8 through other electronic medium, if the insurance division
9 determines that there are security measures in place sufficient
10 to ensure compliance regarding limitations on disclosure of
11 information in the database.

12 (d) The designated agent, at least monthly, shall:

13 (1) Update the database with the motor vehicle insurance
14 information provided by the insurers in accordance
15 with section 431:10C-D; and

16 (2) Compare all current motor vehicle registrations
17 against the database.

18 (e) The director of finance of each county shall provide
19 the designated agent with:

20 (1) The name, date of birth, address, and driver license
21 number, if available, of all persons having active
22 motor vehicle registrations; and



1 (2) The make, year, and vehicle identification number for
2 all active motor vehicle registrations.

3 (f) The commissioner shall adopt rules under chapter 91
4 implementing this part.

5 (g) The designated agent shall archive computer data files
6 at least semi-annually for auditing purposes.

7 (h) The auditor shall audit the program at least every
8 three years. The auditor's report shall include verification
9 of:

10 (1) Billings made by the designated agent; and

11 (2) The accuracy of the designated agent's matching of
12 vehicle registration with motor vehicle insurance
13 data.

14 **§431:10C-C Uninsured motorist identification special fund.**

15 (a) There is established within the state treasury a special
16 fund to be known as the uninsured motorist identification
17 special fund, into which shall be deposited the motor vehicle
18 registration reinstatement fees collected under section 249-31.
19 All interest accrued on moneys deposited in the fund shall
20 become part of the fund.



1 (b) The uninsured motorist identification special fund
2 shall be administered by the insurance division and shall be
3 used for developing and administering the program.

4 §431:10C-D Motor vehicle insurance reporting; penalty.

5 (a) Each insurer that issues a policy that includes motor
6 vehicle liability coverage, uninsured motorist coverage,
7 underinsured motorist coverage, or personal injury coverage
8 under this article, before the seventh day of each calendar
9 month, shall provide to the designated agent a record of each
10 motor vehicle insurance policy in effect for vehicles registered
11 or garaged in the State as of the date of the previous
12 submission that was issued by the insurer.

13 (b) Nothing in this section shall preclude more frequent
14 reporting by an insurer on a voluntary basis.

15 (c) A record provided by an insurer under subsection (a)
16 shall include:

17 (1) The make, year, and vehicle identification number of
18 each insured vehicle;

19 (2) The policy number, effective date, and expiration date
20 of each policy; and



1 (3) The name, date of birth, and if available, driver's
2 license number of each insured owner or operator, and
3 the address of the named insured.

4 Each insurer shall provide this information by an electronic
5 means or by another form the designated agent agrees to accept.

6 (d) The insurance division may assess a fine against an
7 insurer of no more than \$ for each day the insurer
8 fails to comply with this section; provided that the insurance
9 division shall excuse the fine if an insurer shows that the
10 failure to comply with this section was:

- 11 (1) Inadvertent;
- 12 (2) Accidental; or
- 13 (3) The result of excusable neglect.

14 **§431:10C-E Notice; proof; revocation of registration;**
15 **false statement; penalties.** (a) If the comparison under
16 section 431:10C-B shows that a motor vehicle is not insured for
17 three consecutive months, the insurance division shall direct
18 that the designated agent provide notice to the owner of the
19 motor vehicle that the owner has fifteen days to provide to the
20 designated agent:

- 21 (1) Proof of owner's or operator's insurance; or



1 (2) Proof of exemption from the owner's or operator's
2 insurance requirements.

3 (b) If an owner of a motor vehicle fails to provide
4 satisfactory proof of owner's or operator's insurance to the
5 designated agent, the designated agent shall provide a second
6 notice to the owner of the motor vehicle that the owner now has
7 fifteen days to provide:

8 (1) Proof of owner's or operator's insurance; or

9 (2) Proof of exemption from the owner's or operator's
10 insurance requirements.

11 (c) For each notice provided, the designated agent shall:

12 (1) Indicate information relating to the owner's failure
13 to provide proof of owner's or operator's insurance in
14 the database; and

15 (2) Provide this information to the finance director of
16 the county where the motor vehicle is registered.

17 (d) If the designated agent notifies the finance director
18 of a county that an owner of a motor vehicle failed to provide
19 satisfactory proof of owner's or operator's security to the
20 designated agent, the finance director of the county shall:

21 (1) Revoke the registration; and



1 (2) Provide appropriate notices of the revocation, the
2 legal consequences of operating a vehicle with revoked
3 registration and without owner's or operator's
4 insurance, and instructions on how to get the
5 registration reinstated.

6 (e) A registration that has been revoked under this
7 section shall not be reinstated and a new registration shall not
8 be issued to the holder of the revoked registration until the
9 person:

10 (1) Pays to the county finance director an administrative
11 reinstatement fee of \$; and

12 (2) Complies with the other requirements of this part;
13 provided that the fee imposed by this section is in addition to
14 any other fees or penalties imposed by law.

15 (f) The insurance division may direct the designated agent
16 to provide the notices required under subsection (d) (2).

17 (g) Any action to revoke the registration of a motor
18 vehicle under this section may be in addition to an action by a
19 law enforcement agency to impose the penalties.

20 (h) It shall be unlawful for a person to provide a false
21 or fraudulent statement to the insurance division or designated
22 agent.



1 In addition to any other penalties, a person who violates
2 this subsection shall be guilty of a misdemeanor.

3 (i) Nothing in this section limits other actions or
4 penalties that may be taken or imposed for violation of the
5 insurance requirements of this article.

6 **§431:10C-F Disclosure of insurance information; penalty.**

7 (a) Information in the database provided by a person to the
8 designated agent is considered to be the property of the person
9 providing the information.

10 (b) The information may not be disclosed from the
11 database, except as follows:

12 (1) For the purpose of investigating, litigating, or
13 enforcing the owner's or operator's insurance
14 requirement, the designated agent shall verify
15 insurance information through the state computer
16 network for a state or local government agency or
17 court;

18 (2) For the purpose of investigating, litigating, or
19 enforcing the owner's or operator's insurance
20 requirement, the designated agent shall, upon request,
21 issue to any state or local government agency or court
22 a certificate documenting the insurance information,



1 according to the database, of a specific individual or
2 motor vehicle for the time period designated by the
3 government agency;

4 (3) Upon request, the insurance division or its designated
5 agent shall disclose whether or not a person is an
6 insured individual and the insurance company name to:

7 (A) That individual or, if that individual is
8 deceased, any legal representative of that
9 individual;

10 (B) The parent or legal guardian of that individual
11 if the individual is an unemancipated minor;

12 (C) The legal guardian of that individual if the
13 individual is legally incapacitated;

14 (D) A person who has power of attorney from the
15 insured individual;

16 (E) A person who submits a notarized release from the
17 insured individual dated no more than ninety days
18 before the date the request is made; or

19 (F) A person suffering loss or injury in a motor
20 vehicle accident in which the insured individual
21 is involved, but only as part of an accident
22 report;



- 1 (4) For the purpose of investigating, enforcing, or
2 prosecuting laws or issuing citations by state or
3 local law enforcement agencies related to the:
- 4 (A) Registration and renewal of registration of a
5 motor vehicle;
- 6 (B) Purchase of a motor vehicle; and
7 (C) Owner's or operator's insurance requirements;
- 8 (5) Upon request of a law enforcement officer acting in an
9 official capacity, the insurance division or the
10 designated agent, upon request, shall disclose
11 relevant information for investigation, enforcement,
12 or prosecution;
- 13 (6) For the purpose of the auditor's required audits of
14 the program under section 431:10C-B;
- 15 (7) Upon the request of a state or local law enforcement
16 agency for the purpose of investigating and
17 prosecuting identity theft and other crimes.
- 18 (c) The insurance division may allow the designated agent
19 to prepare and deliver upon request a report on the insurance
20 information of a person or motor vehicle in accordance with this
21 section.

22 The report may be in the form of:



1 (1) A certified copy that is considered admissible in any
2 court proceeding in the same manner as the original;
3 or

4 (2) Information accessible through the Internet or through
5 other electronic medium if the insurance division
6 determines that sufficient security is provided to
7 ensure compliance with this section.

8 The department may allow the designated agent to charge a fee
9 established by the division of motor vehicles for each report.

10 (d) A person who knowingly releases or discloses
11 information from the database for a purpose other than those
12 authorized in this section or to a person who is not entitled to
13 it is guilty of a class C felony.

14 (e) An insurer is not liable to any person for complying
15 with section 431:10C-D by providing information to the
16 designated agent.

17 (f) Neither the insurance division nor the designated
18 agent shall be liable to any person for gathering, managing, or
19 using the information in the database as provided in section
20 431:10C-B and this part.

21 **§431:10C-G Compliance.** Every insurer that is licensed to
22 issue motor vehicle insurance policies or is authorized to do



1 business in the State shall comply with this part for
2 verification of evidence of motor vehicle insurance for every
3 motor vehicle insured by that insurer in the State, as required
4 by the rules adopted by the insurance division.

5 §431:10C-H Civil and administrative immunity. Insurers
6 and the designated agent shall be immune from civil and
7 administrative liability for good faith efforts to comply with
8 the terms of this part.

9 §431:10C-I Commercial vehicle exemption. This part shall
10 not apply to commercial vehicles and fleet vehicles.

11 §431:10C-J Use of information. Information provided to
12 the designated agent by the insurance division or any insurance
13 company shall not be further disclosed or disseminated by the
14 designated agent without the express written consent of the
15 insurance division and the insurance company. The designated
16 agent shall enter into contractual relationships with insurers
17 to further protect the confidentiality and security of
18 information under this section."

19 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:

21 "(a) Except as provided in this section, and
22 notwithstanding any other law to the contrary, from time to



1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;

6 (2) School cafeteria special funds of the department of
7 education;

8 (3) Special funds of the University of Hawaii;

9 (4) State educational facilities improvement special fund;

10 (5) Convention center enterprise special fund under
11 section 201B-8;

12 (6) Special funds established by section 206E-6;

13 (7) Housing loan program revenue bond special fund;

14 (8) Housing project bond special fund;

15 (9) Aloha Tower fund created by section 206J-17;

16 (10) Funds of the employees' retirement system created by
17 section 88-109;

18 (11) Hawaii hurricane relief fund established under chapter
19 431P;

20 (12) Hawaii health systems corporation special funds and
21 the subaccounts of its regional system boards;

- 1 (13) Tourism special fund established under section 201B-
- 2 11;
- 3 (14) Universal service fund established under section 269-
- 4 42;
- 5 (15) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (16) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (17) Sport fish special fund under section 187A-9.5;
- 10 (18) Glass advance disposal fee established by section
- 11 342G-82;
- 12 (19) Center for nursing special fund under section 304A-
- 13 2163;
- 14 (20) Passenger facility charge special fund established by
- 15 section 261-5.5;
- 16 (21) Court interpreting services revolving fund under
- 17 section 607-1.5;
- 18 (22) Hawaii cancer research special fund;
- 19 (23) Community health centers special fund;
- 20 (24) Emergency medical services special fund;
- 21 (25) Rental motor vehicle customer facility charge special
- 22 fund established under section 261-5.6;



1 (26) Shared services technology special fund under section
2 27-43;

3 (27) Automated victim information and notification system
4 special fund established under section 353-136; [~~and~~

5 ~~]~~ (28) ~~[+]~~ Deposit beverage container deposit special fund under
6 section 342G-104 ~~[7]~~; and

7 (29) Uninsured motorist identification special fund under
8 section 431:10C-C;

9 shall deduct five per cent of all receipts of all special funds,
10 which deduction shall be transferred to the general fund of the
11 State and become general realizations of the State. All
12 officers of the State and other persons having power to allocate
13 or disburse any special funds shall cooperate with the director
14 in effecting these transfers. To determine the proper revenue
15 base upon which the central service assessment is to be
16 calculated, the director shall adopt rules pursuant to chapter
17 91 for the purpose of suspending or limiting the application of
18 the central service assessment of any fund. No later than
19 twenty days prior to the convening of each regular session of
20 the legislature, the director shall report all central service
21 assessments made during the preceding fiscal year."



1 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

- 3 "(a) Each special fund, except the:
- 4 (1) Transportation use special fund established by section
5 261D-1;
 - 6 (2) Special out-of-school time instructional program fund
7 under section 302A-1310;
 - 8 (3) School cafeteria special funds of the department of
9 education;
 - 10 (4) Special funds of the University of Hawaii;
 - 11 (5) State educational facilities improvement special fund;
 - 12 (6) Special funds established by section 206E-6;
 - 13 (7) Aloha Tower fund created by section 206J-17;
 - 14 (8) Funds of the employees' retirement system created by
15 section 88-109;
 - 16 (9) Hawaii hurricane relief fund established under section
17 431P-2;
 - 18 (10) Convention center enterprise special fund established
19 under section 201B-8;
 - 20 (11) Hawaii health systems corporation special funds and
21 the subaccounts of its regional system boards;



- 1 (12) Tourism special fund established under section 201B-
- 2 11;
- 3 (13) Universal service fund established under section 269-
- 4 42;
- 5 (14) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (15) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (16) Sport fish special fund under section 187A-9.5;
- 10 (17) Center for nursing special fund under section 304A-
- 11 2163;
- 12 (18) Passenger facility charge special fund established by
- 13 section 261-5.5;
- 14 (19) Court interpreting services revolving fund under
- 15 section 607-1.5;
- 16 (20) Hawaii cancer research special fund;
- 17 (21) Community health centers special fund;
- 18 (22) Emergency medical services special fund;
- 19 (23) Rental motor vehicle customer facility charge special
- 20 fund established under section 261-5.6;
- 21 (24) Shared services technology special fund under section
- 22 27-43;



- 1 (25) Nursing facility sustainability program special fund,
- 2 under Act 156, Session Laws of Hawaii 2012;
- 3 (26) Automated victim information and notification system
- 4 special fund established under section 353-136; [and]
- 5 (27) Hospital sustainability program special fund under Act
- 6 217, Session Laws of Hawaii 2012 [7]; and
- 7 (28) Uninsured motorist identification special fund
- 8 established under section 431:10C-C;

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 4. Section 249-31, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§249-31 State registration fee.** (a) All vehicles and
15 motor vehicles in the State as defined in section 249-1,
16 including antique motor vehicles, except as otherwise provided
17 in sections 249-4 and 249-6, shall be subject to a \$45 annual
18 vehicle registration fee. The fee shall be paid each year
19 together with all other taxes and fees levied by this chapter on
20 a staggered basis as established by each county as authorized by
21 section 286-51, and the state registration for that county shall
22 likewise be staggered so that the state registration fee is due



1 and payable at the same time and shall be collected together
 2 with the county fee. The state registration fee shall be deemed
 3 delinquent if not paid with the county registration fee. The
 4 respective counties shall collect this fee together with the
 5 vehicle registration tax collected for the county and shall
 6 transfer the moneys collected under this section to the State.

7 (b) From each annual motor vehicle registration fee, the
 8 director shall deposit \$40 into the state highway fund and \$5
 9 into the emergency medical services special fund.

10 (c) If a motor vehicle registration is revoked pursuant to
 11 section 431:10C-E, the registration shall not be reinstated
 12 until an administrative reinstatement fee of \$ _____ is paid.
 13 All reinstatement fees shall be deposited into the uninsured
 14 motorist identification special fund."

15 SECTION 5. Section 431:2-215, Hawaii Revised Statutes, is
 16 amended by amending subsection (a) to read as follows:

17 "(a) All assessments, fees, fines, penalties, and
 18 reimbursements collected by or on behalf of the insurance
 19 division under title 24, except for the uninsured motorist
 20 identification special fund (section 431:10C-C), the
 21 commissioner's education and training fund (section 431:2-214),
 22 the patients' compensation fund (Act 232, Session Laws of Hawaii



1 1984), the drivers education fund underwriters fee (sections
 2 431:10C-115 and 431:10G-107), and the captive insurance
 3 administrative fund (section 431:19-101.8) to the extent
 4 provided by section 431:19-101.8(b), shall be deposited into the
 5 compliance resolution fund under section 26-9(o). All sums
 6 transferred from the insurance division into the compliance
 7 resolution fund may be expended by the commissioner to carry out
 8 the commissioner's duties and obligations under title 24."

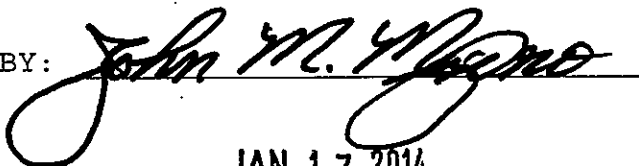
9 SECTION 6. In codifying the new sections added by section
 10 1 of this Act, the revisor of statutes shall substitute
 11 appropriate section numbers for the letters used in designating
 12 the new sections in this Act.

13 SECTION 7. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 8. This Act shall take effect on July 1, 2014;
 16 provided that the amendments to sections 36-27(a) and 36-30(a),
 17 Hawaii Revised Statutes, in sections 2 and 3 of this Act shall
 18 not be repealed when sections 36-27 and 36-30, Hawaii Revised
 19 Statutes, are reenacted on June 30, 2015, pursuant to section 34
 20 of Act 79, Session Laws of Hawaii 2009.

21

INTRODUCED BY:




Report Title:

Motor Vehicle Insurance; Uninsured Motorist Identification Database Program

Description:

Establishes an uninsured motorist identification database program within the insurance division. Establishes a special fund for the development and administration of the program.

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

