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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

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

4           "§431:10C-           Payment of general excise tax and  
5 certificate of ownership fee to claimants. (a) The insurer  
6 shall pay the applicable general excise tax and certificate of  
7 ownership fee, not to exceed policy limits, as follows:

- 8           (1) If a cash settlement is provided, and if within thirty  
9           days of the receipt of the settlement by the insurer,  
10           the claimant has purchased a vehicle, the insurer  
11           shall reimburse the claimant for the applicable  
12           general excise tax and certificate of ownership fee  
13           incurred on account of the purchase of the vehicle,  
14           but not exceeding the amount payable on account of the  
15           value of the total loss vehicle; and
- 16           (2) If the claimant purchases a vehicle with a market  
17           value less than the amount of the settlement, then the  
18           insurer shall reimburse only the amount of the



1           applicable general excise tax and certificate of  
2           ownership fee incurred by the insured.

3           (b) If the claimant cannot substantiate the purchase and  
4           the payment of the taxes and fee by submission to the insurer of  
5           appropriate documentation within thirty-three days after the  
6           receipt of settlement, the insurer shall not be required to  
7           reimburse the claimant for the taxes or fee.

8           (c) In lieu of the reimbursement procedure set forth in  
9           subsection (a), the insurer may pay the required amounts of  
10           general excise taxes and certificate of ownership fee directly  
11           to the claimant at the time of settlement.

12           (d) Written notice of the payment procedure set forth in  
13           this section shall be communicated to the claimant at the time  
14           of settlement, together with any form required by the insurer  
15           for applying for the reimbursement."

16           SECTION 2. New statutory material is underscored.

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

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INTRODUCED BY:

Calvin K. Boy

JAN 17 2014



# H.B. NO. 2015

**Report Title:**

General Excise Tax; Certificate of Ownership Fee; Insurance

**Description:**

Requires insurers to pay the general excise tax and certificate of ownership fee to claimants involving motor vehicle insurance.

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

