

STAND. COM. REP. NO.

1174

Honolulu, Hawaii

March 22, 2013

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

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 495, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to implement certain recommendations of the Insurance Verification Working Group by, among other things:

- (1) Establishing a working group attached to the Department of Commerce and Consumer Affairs to assist in the development of a program to identify uninsured motor vehicles in the State;
- (2) Establishing a Motor Vehicle Insurance Verification Special Fund and exempting monies in the special fund from transfer to the general fund for administrative expenses and from deposit in the Compliance Resolution Fund;
- (3) Changing the fine for the first violation of requirements to have a motor vehicle insurance policy in effect to \$125 and removing judges' discretionary authority to suspend a fine for failure to have insurance if the defendant later obtains insurance; and

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- (4) Removing the requirements that would become duplicative and unnecessary for insurance identification cards and safety inspection requirements once the Motor Vehicle Insurance Verification Program becomes effective.

The Property Casualty Insurers Association of America and Hawaii Insurers Council provided testimony in support of this measure. The Department of Budget and Finance, Department of Commerce and Consumer Affairs, and City and County of Honolulu Department of Customer Services provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the Motor Vehicle Insurance Verification Program use established industry standards for real-time automotive liability insurance verifications, as prescribed by the Insurance Industry Committee on Motor Vehicle Administration, as a guide rather than mandatory adherence to these standards by the Program;
- (2) Increasing the minimum fine for violations of Hawaii's motor vehicle insurance laws to \$125; and
- (3) Restoring the fine for a first offense of a person convicted of not having had a motor vehicle insurance policy in effect at the time the citation was issued to \$500.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 495, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 495, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 495, SD2, HD1	Committee Referral: TRN, CPC, FIN	Date: 03/20/2013		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. KAWAKAMI, Derek S.K. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CABANILLA, Rida T.R.				✓
6. CACHOLA, Romy M.	✓			
7. CARROLL, Mele				✓
8. EVANS, Cindy	✓			
9. HAR, Sharon E.				✓
10. ITO, Ken	✓			
11. LEE, Chris	✓			
12. TSUJI, Clift	✓			
13. YAMANE, Ryan I.	✓			
14. MCDERMOTT, Bob	✓			
15. THIELEN, Cynthia	✓			
TOTAL (15)	12			3
The recommendation is: <input type="checkbox"/> Adopted <input checked="" type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>_____ committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
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