

HB1846

LATE

TESTIMONY



To: The Honorable Clayton Hee, Chair
The Honorable Maile S.L. Shimabukuro, Vice Chair
Senate Committee on Judiciary and Labor

From: Mark Sektnan, Vice President

Re: **HB 1846 – Relating to District Court Jurisdiction**
PCI Position: OPPOSE

Date: Friday, March 21, 2014
10:00 am, Conference Room 016

Aloha Chair Hee, Vice Chair Shimabukuro and Members of the Committee:

The Property Casualty Insurers Association of America (PCI) is opposed to HB 1846 which would increase the jurisdiction of the district court. PCI is a national trade association that represents over 1,000 property and casualty insurance companies. In Hawaii, PCI member companies write approximately 34.6 percent of all property casualty insurance written in Hawaii. PCI member companies write 42.2 percent of all personal automobile insurance, 43.5 percent of all commercial automobile insurance and 58.9 percent of the workers' compensation insurance in Hawaii.

The majority of civil actions involve injuries arising from motor vehicle accidents. District Court is not set up to allow for full evaluation of the liability of the respective parties and does not provide for adequate discovery appropriate for injuries with a potential value of up to \$40,000. The minimum limit of bodily injury liability coverage in Hawaii is only \$20,000 and this proposal would expose many drivers to judgments that far exceed their coverage *without their day in court*. Raising the jurisdictional limits of District Court also hurts motorists that are protected by automobile liability insurance because there is no right of appeal from cases that are tried in District Court. Thus, an insured with minimum limits of automobile insurance could find himself in a lawsuit without full discovery to defend his position, with the result that a judgment is entered that exceeds his insurance limits, with no right of appeal. This kind of result would be financially devastating to many and is not the kind of result that a small claims case is intended for. The volume of personal injury cases tied to judgment in Hawaii Circuit Courts is extremely small; perhaps the lowest in the nation for courts of this level. It is hard to rationalize the need or justification for this proposal. This bill will harm consumers and eventually lead to higher prices for insurance.

For these reasons, PCI asks the committee to hold this bill in committee.