
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 part to article 10C to be appropriately
3 designated and 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 with whom the
9 insurance division contracts under section 431:10C-B.

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

12 §431:10C-B Uninsured motorist identification database
13 program; establishment, administration, selection of designated
14 agent, duties, rules. (a) The insurance division, in
15 cooperation with the counties, shall establish an uninsured
16 motorist identification database program.



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

15 (c) The third party under contract pursuant to this
16 section shall be the insurance division's designated agent and
17 shall develop and maintain the uninsured motorist identification
18 database using information provided by motor vehicle insurers
19 under section 431:10C-D and the director of finance of each
20 county.

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



1 the insurance division to enable state and local law enforcement
2 agencies to efficiently access the records of the database,
3 including reports, useful for implementing this part.

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

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

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

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

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

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

19 (1) The name, date of birth, address, and, if available,
20 driver's license number of all persons having active
21 motor vehicle registrations in the county; and



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

3 (f) The commissioner shall adopt rules under chapter 91 to
4 implement 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 administrative
18 reinstatement fees collected under section 249-31. All interest
19 accrued on moneys deposited in the fund shall become part of the
20 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 fails
8 to comply with this section; provided that the insurance
9 division shall waive 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 of current
16 motor vehicle registrations against the database under section
17 431:10C-B(d) shows that a motor vehicle has not been insured for
18 the immediately previous three consecutive months, the
19 designated agent shall provide notice to the owner of the motor
20 vehicle that the owner has fifteen days to provide to the
21 designated agent:

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



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

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

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

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

12 (c) For each notice issued, the designated agent shall
13 provide to the finance director of the county where the motor
14 vehicle is registered information regarding the owner's
15 provision of or failure to provide proof of owner or operator's
16 insurance or proof of exemption in the database.

17 (d) Upon being informed by the designated agent that the
18 owner of a motor vehicle has failed to provide satisfactory
19 proof of owner or operator's insurance or exemption from the
20 insurance requirement in response to the second notice provided
21 under subsection (b), the finance director of the county shall:



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

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

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

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

17 (f) The finance director may direct the designated agent
18 to provide the notices required under subsection (d)(2).

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



1 (h) It shall be unlawful for a person to provide a false
2 or fraudulent statement under this section to the insurance
3 division or designated agent.

4 In addition to any other penalties imposed by law, a person
5 who violates this subsection shall be guilty of a misdemeanor.

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

9 §431:10C-F Disclosure of insurance information; penalty.

10 (a) Information in the database provided by a person to the
11 designated agent is considered to be the property of the person
12 providing the information.

13 (b) Information from the database shall not be disclosed
14 to any person except as authorized by this part; provided that:

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

20 (2) For the purpose of investigating, litigating, or
21 enforcing the owner or operator's insurance
22 requirement, the designated agent shall, upon request,



1 issue to any state or local government agency or court
2 a certificate documenting the insurance information,
3 according to the database, of a specific individual or
4 motor vehicle for the time period designated by the
5 agency or court;

6 (3) Upon request, the insurance division or designated
7 agent shall disclose whether or not an individual or a
8 motor vehicle is insured and the relevant insurance
9 company name to:

10 (A) The individual or, if the individual is deceased,
11 any legal representative of the individual;

12 (B) The parent or legal guardian of the individual if
13 the individual is an unemancipated minor;

14 (C) The legal guardian of the individual if the
15 individual is legally incapacitated;

16 (D) A person who has power of attorney from the
17 individual;

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

21 (F) A person suffering loss or injury in a motor
22 vehicle accident in which the individual or motor



1 vehicle is involved, but only as part of an
2 accident report;

3 (4) Upon request of a law enforcement officer acting in an
4 official capacity, the insurance division or
5 designated agent shall disclose relevant information
6 related to the:

7 (A) Registration and renewal of registration of a
8 motor vehicle;

9 (B) Purchase of a motor vehicle; and

10 (C) Owner or operator's insurance requirements,
11 for investigation, enforcement, or prosecution of
12 laws, including those related to motor vehicle
13 registration, motor vehicle insurance, motor vehicle
14 purchase, identity theft, and other crimes, and for
15 issuing citations; and

16 (5) For purposes of audits required under section 431:10C-
17 B(h), the insurance division, designated agent, or
18 finance director shall disclose relevant information
19 to the auditor.

20 (c) The insurance division may authorize the designated
21 agent to prepare and deliver, upon request, a report on the



1 insurance information of an individual or motor vehicle in
2 accordance with this section.

3 The report may be delivered in the form of:

4 (1) A hard copy original or a certified copy that is
5 considered admissible in any court proceeding in the
6 same manner as the original; or

7 (2) Information accessible through the Internet or through
8 another electronic medium if the insurance division
9 determines that sufficient security is provided to
10 ensure compliance with this section.

11 The commissioner may authorize the designated agent by rule to
12 charge a fee established by the director of finance of each
13 county for each report.

14 (d) A person who knowingly releases or discloses
15 information from the database for a purpose or to a person other
16 than those authorized in this part shall be guilty of a class C
17 felony.

18 (e) Lawful compliance with section 431:10C-D shall not be
19 deemed to be a violation of this section.

20 (f) The insurance division and the designated agent shall
21 not be deemed to be in violation of this section by gathering,



1 managing, or using the information in the database as provided
2 in section 431:10C-B.

3 §431:10C-G Compliance. Every insurer that is licensed to
4 issue motor vehicle insurance policies or is authorized to do
5 business in the State shall comply with this part and with rules
6 adopted by the insurance commissioner pursuant to this part for
7 every motor vehicle insured by that insurer in the State.

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

12 §431:10C-I Commercial and fleet vehicle exemption. This
13 part shall not apply to commercial vehicles and fleet vehicles.

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



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

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

- 8 (1) Special out-of-school time instructional program fund
9 under section 302A-1310;
- 10 (2) School cafeteria special funds of the department of
11 education;
- 12 (3) Special funds of the University of Hawaii;
- 13 (4) State educational facilities improvement special fund;
- 14 (5) Convention center enterprise special fund under
15 section 201B-8;
- 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) Hawaii hurricane relief fund established under chapter
21 431P;



- 1 (10) Hawaii health systems corporation special funds and
- 2 the subaccounts of its regional system boards;
- 3 (11) Tourism special fund established under section 201B-
- 4 11;
- 5 (12) Universal service fund established under section 269-
- 6 42;
- 7 (13) Emergency and budget reserve fund under section 328L-
- 8 3;
- 9 (14) Public schools special fees and charges fund under
- 10 section 302A-1130;
- 11 (15) Sport fish special fund under section 187A-9.5;
- 12 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 13 [+] (17) [+] Glass advance disposal fee established by section
- 14 342G-82;
- 15 [+] (18) [+] Center for nursing special fund under section
- 16 304A-2163;
- 17 [+] (19) [+] Passenger facility charge special fund
- 18 established by section 261-5.5;
- 19 [+] (20) [+] Solicitation of funds for charitable purposes
- 20 special fund established by section 467B-15;
- 21 [+] (21) [+] Land conservation fund established by section
- 22 173A-5;



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- 1 [+] (22) [+] Court interpreting services revolving fund under
2 section 607-1.5;
- 3 [+] (23) [+] Trauma system special fund under section 321-
4 22.5;
- 5 [+] (24) [+] Hawaii cancer research special fund;
- 6 [+] (25) [+] Community health centers special fund;
- 7 [+] (26) [+] Emergency medical services special fund;
- 8 [+] (27) [+] Rental motor vehicle customer facility charge
9 special fund established under section 261-5.6;
- 10 [+] (28) [+] Shared services technology special fund under
11 section 27-43;
- 12 [+] (29) [+] Automated victim information and notification
13 system special fund established under section 353-136;
- 14 [+] (30) [+] Deposit beverage container deposit special fund
15 under section 342G-104;
- 16 [+] (31) [+] Hospital sustainability program special fund
17 under Act 217, Session Laws of Hawaii 2012, as
18 amended;
- 19 [+] (32) [+] Nursing facility sustainability program special
20 fund under Act 156, Session Laws of Hawaii 2012;
- 21 [+] (33) [+] Hawaii 3R's school improvement fund under section
22 302A-1502.4;



1 [+] (34) [+] After-school plus program revolving fund under
2 section 302A-1149.5; [and]
3 [+] (35) [+] Civil monetary penalty special fund under section
4 321-30.2 [7]; and
5 (36) Uninsured motorist identification special fund under
6 section 431:10C-C,
7 shall deduct five per cent of all receipts of all other special
8 funds, which deduction shall be transferred to the general fund
9 of the State and become general realizations of the State. All
10 officers of the State and other persons having power to allocate
11 or disburse any special funds shall cooperate with the director
12 in effecting these transfers. To determine the proper revenue
13 base upon which the central service assessment is to be
14 calculated, the director shall adopt rules pursuant to chapter
15 91 for the purpose of suspending or limiting the application of
16 the central service assessment of any fund. No later than
17 twenty days prior to the convening of each regular session of
18 the legislature, the director shall report all central service
19 assessments made during the preceding fiscal year."

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

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



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- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) State educational facilities improvement special fund;
- 7 (5) Special funds established by section 206E-6;
- 8 (6) Aloha Tower fund created by section 206J-17;
- 9 (7) Funds of the employees' retirement system created by
- 10 section 88-109;
- 11 (8) Hawaii hurricane relief fund established under chapter
- 12 431P;
- 13 (9) Convention center enterprise special fund established
- 14 under section 201B-8;
- 15 (10) Hawaii health systems corporation special funds and
- 16 the subaccounts of its regional system boards;
- 17 (11) Tourism special fund established under section 201B-
- 18 11;
- 19 (12) Universal service fund established under section 269-
- 20 42;
- 21 (13) Emergency and budget reserve fund under section 328L-
- 22 3;



- 1 (14) Public schools special fees and charges fund under
2 section 302A-1130;
- 3 (15) Sport fish special fund under section 187A-9.5;
- 4 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 5 [+](17)[+] Center for nursing special fund under section
6 304A-2163;
- 7 [+](18)[+] Passenger facility charge special fund
8 established by section 261-5.5;
- 9 [+](19)[+] Court interpreting services revolving fund under
10 section 607-1.5;
- 11 [+](20)[+] Trauma system special fund under section 321-
12 22.5;
- 13 [+](21)[+] Hawaii cancer research special fund;
- 14 [+](22)[+] Community health centers special fund;
- 15 [+](23)[+] Emergency medical services special fund;
- 16 [+](24)[+] Rental motor vehicle customer facility charge
17 special fund established under section 261-5.6;
- 18 [+](25)[+] Shared services technology special fund under
19 section 27-43;
- 20 [+](26)[+] Nursing facility sustainability program special
21 fund established pursuant to Act 156, Session Laws of
22 Hawaii 2012;



1 [+] (27) [+] Automated victim information and notification
2 system special fund established under section 353-136;
3 [+] (28) [+] Hospital sustainability program special fund
4 under Act 217, Session Laws of Hawaii 2012, as
5 amended; [~~and~~]
6 [+] (29) [+] Civil monetary penalty special fund under section
7 321-30.2 [~~r~~]; and
8 (30) Uninsured motorist identification special fund
9 established under section 431:10C-C,
10 shall be responsible for its pro rata share of the
11 administrative expenses incurred by the department responsible
12 for the operations supported by the special fund concerned."
13 SECTION 4. Section 249-31, Hawaii Revised Statutes, is
14 amended to read as follows:
15 "§249-31 State registration fee. (a) All vehicles and
16 motor vehicles in the State as defined in section 249-1,
17 including antique motor vehicles, except as otherwise provided
18 in sections 249-4, 249-6, and 249-31.5, shall be subject to a
19 \$45 annual vehicle registration fee. The fee shall be paid each
20 year together with all other taxes and fees levied by this
21 chapter on a staggered basis as established by each county as
22 authorized by section 286-51, and the state registration for



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

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

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

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

20 "(a) All assessments, fees, fines, penalties, and
 21 reimbursements collected by or on behalf of the insurance
 22 division under title 24, except for the commissioner's education



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1 and training fund (section 431:2-214), the patients'
 2 compensation fund (Act 232, Session Laws of Hawaii 1984), the
 3 uninsured motorist identification special fund (section 431:10C-
 4 C), the drivers education fund underwriters fee (sections
 5 431:10C-115 and 431:10G-107), and the captive insurance
 6 administrative fund (section 431:19-101.8) to the extent
 7 provided by section 431:19-101.8(b), shall be deposited into the
 8 compliance resolution fund under section 26-9(o). All sums
 9 transferred from the insurance division into the compliance
 10 resolution fund may be expended by the commissioner to carry out
 11 the commissioner's duties and obligations under title 24."

12 SECTION 6. In codifying the new sections added by section
 13 1 of this Act, the revisor of statutes shall substitute
 14 appropriate section numbers for the letters used in designating
 15 the new sections in this Act.

16 SECTION 7. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.

18 SECTION 8. This Act shall take effect on July 1, 2016.

19

INTRODUCED BY:

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Report Title:

Motor Vehicle Insurance; Uninsured Motorist Identification Database Program

Description:

Establishes an uninsured motorist identification database program and special fund within the insurance division to verify motorist compliance with insurance requirements and reduce the number of uninsured motorists.

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

