

HCR 171

HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE
ADEQUACY OF INSURANCE COVERAGE REQUIREMENTS FOR
TRANSPORTATION NETWORK COMPANIES AND TRANSPORTATION NETWORK
COMPANY DRIVERS.

1 WHEREAS, Act 236, Session Laws of Hawaii 2016 (Act 236),
2 was intended to close the insurance gaps associated with
3 transportation network companies by establishing motor vehicle
4 insurance requirements for transportation network companies and
5 transportation network company drivers; and
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7 WHEREAS, while Act 236 requires the Insurance Commissioner
8 to conduct an annual study and report to the Legislature on the
9 impact of Act 236 on personal motor vehicle insurance policy
10 rates in the State, Act 236 does not require the Insurance
11 Commissioner to study the adequacy of coverage required under
12 Act 236 for claims arising from accidents involving
13 transportation network companies and transportation network
14 company drivers; and
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16 WHEREAS, in addition to the effect on insurance rates, it
17 is important to determine whether the insurance coverage
18 requirements for the personal vehicles of transportation network
19 company drivers are adequate to cover claims by passengers,
20 drivers, and members of the public, including other drivers and
21 pedestrians, who may suffer injury, death, or property damage as
22 a result of motor vehicles accidents involving transportation
23 network companies and transportation network company drivers;
24 now, therefore,
25

26 BE IT RESOLVED by the House of Representatives of the
27 Twenty-ninth Legislature of the State of Hawaii, Regular Session
28 of 2018, the Senate concurring, that the Legislative Reference
29 Bureau is requested to study the adequacy of insurance coverage
30 requirements for transportation network companies and
31 transportation network company drivers; and



H.C.R. NO. 171

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BE IT FURTHER RESOLVED that in completing the study, the Legislative Reference Bureau is requested to consider, among other things, the insurance coverage required by:

- (1) The Department of Transportation for airport permittees pursuant to chapter 19-20.1, Hawaii Administrative Rules;
- (2) The various counties for taxicabs and taxicab drivers; and
- (3) The Public Utilities Commission for commercial vehicles and commercial vehicle operators pursuant to chapter 6-62, Hawaii Administrative Rules; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019; and

BE IT FURTHER RESOLVED that a certified copy of this Concurrent Resolution be transmitted to the Director of the Legislative Reference Bureau.

OFFERED BY:

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MAR 09 2018



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LEGISLATIVE REFERENCE BUREAU
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State Capitol, Room 446
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Written Testimony

HCR171

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE ADEQUACY OF INSURANCE COVERAGE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES AND TRANSPORTATION NETWORK COMPANY DRIVERS

Testimony by the Legislative Reference Bureau
Charlotte A. Carter-Yamauchi, Director

Presented to the House Committee on Consumer Protection and Commerce

Thursday, March 22, 2018, 2:00 p.m.
Conference Room 329

Chair Takumi and Members of the Committee:

Good afternoon Chair Takumi and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on H.C.R. No. 171, Requesting the Legislative Reference Bureau to Study the Adequacy of Insurance Coverage Requirements for Transportation Network Companies and Transportation Network Company Drivers.

The purpose of this measure is to request the Bureau to study the adequacy of insurance coverage requirements for transportation network companies and transportation network company drivers and to include consideration, among other things, of the insurance coverage required by:

- (1) The Department of Transportation for airport permittees pursuant to chapter 19-20.1, Hawaii Administrative Rules;
- (2) The various counties for taxicabs and taxicab drivers; and

- (3) The Public Utilities Commission for commercial vehicles and commercial vehicle operators pursuant to chapter 6-62, Hawaii Administrative Rules.

The measure also requests that the Bureau submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019.

While the Legislative Reference Bureau takes no position on the merits of the measure, we submit the following comments for your consideration.

The Bureau does not retain subject matter experts in the field of motor vehicle or personal injury liability insurance. Consequently, the Bureau would have to contract the services of such experts and do so by drafting a Request for Proposals on this project and executing a contract that is subject to the State Procurement Code. In all likelihood, we would not be able to complete the contracting process within the limited timeframe provided for in this measure. Accordingly, we would need an exemption from the procurement code requirements, additional time in which to complete the study, or both. In addition, the Bureau's annual operating budget does not contain funds for the contracting of study services, and thus a specific amount for this purpose would need to be appropriated through a bill.

Finally, the Bureau notes that, pursuant to section 3 of Act 236, Session Laws of Hawaii 2016, the Insurance Commissioner is already required to submit an annual report, until 2021, on the impact of the insurance requirements imposed on transportation network companies and their drivers. Based on this requirement, it is unclear why the Insurance Commissioner's existing study and reporting requirements are not being amended to include this expanded inquiry, especially since it seems that the issues requested in this measure are so closely related to those already existing in section 3 of Act 236.

Based on the foregoing, it seems that the more expedient approach to obtaining the requested information is to simply expand the existing study and reporting requirements in section 3, Act 236, Session Laws of Hawaii 2016.

Thank you again for your consideration.



March 22, 2018

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
ON HCR 171 REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY
THE ADEQUACY OF INSURANCE COVERAGE REQUIREMENTS FOR
TRANSPORTATION NETWORK COMPANIES AND TRANSPORTATION NETWORK
COMPANY DRIVERS**

Thank you Chair Takumi and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 375 members involved with the commercial ground transportation industry.

HTA supports this resolution.

Companies who transport passengers are all heavily regulated as they hold the lives of their clients in their hands. Adequate levels of insurance is a big part of regulating these companies and the industry has had decades of insurance level determinations to result in reasonable amounts of coverage.

All such service providers need to be scrutinized to ensure proper levels of protection for the people they serve.

Thank you.