

TESTIMONY OF MICHAEL ONOFRIETTI

COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine Inouye, Chair

Senator Will Espero, Vice Chair

COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

Senator Clarence Nishihara, Chair

Senator Glenn Wakai, Vice Chair

Thursday, February 8, 2018

9:00 a.m.

SB 2707

Chair Inouye, Vice Chair Espero, and members of the Committee on Transportation and Energy, and Chair Nishihara, Vice Chair Wakai, and members of the Committee on Public Safety, Intergovernmental, and Military Affairs, my name is Michael Onofrietti, Senior Vice President, Actuarial Services, Product Development & Management for Island Insurance and Chairman of the Auto Policy Committee for Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** this bill. It requires among other provisions, that the transferors and transferees of used motor vehicles, mopeds, and trailers, including those owned by persons who do not intend to drive them on public highways, to appear together before the county director of finance and present government-issued identification to finalize the transfer.

This provision is not practical nor feasible for insurers. We believe that if this bill were enacted, there could be even more %transfer pending+vehicles as compliance would be onerous and sometimes impossible. There are occasions where the transferee is not in the state or not on Oahu, there are scheduling issues, time to stand in line, no-shows, etc. Any additional expenses imposed on insurers to comply with the law will ultimately be

passed on to consumers with perhaps very little or no benefit if the transaction does not take place.

We respectfully ask that this bill be held. Thank you for the opportunity to testify.

SB-2707

Submitted on: 2/6/2018 9:18:12 PM

Testimony for TRE on 2/8/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Manabo Sato	Moped Doctors Inc.	Oppose	No

Comments:

Manabo Sato here. I am co founder of Moped Doctors Inc, one of the largest moped retailers on Oahu. We've been in business for nearly a decade. I'm also a member of the new moped safety inspection program running inspection station number 1926 and worked with State DOT Highway Safety Manager Mr. John Lovstedt in helping finalize moped safety inspection standards. I am also a moped rider on a personal basis.

I oppose SB2707. It is not practical for mopeds Cars and other automobiles have always had a Transfer of ownership stub that the Transferor could submit to the DMV to protect themselves in the event the transferee failed to follow through. Mopeds have never had such an option like that till maybe last year. Mopeds have been running on Oahu roads for over 30 years. That means that till that form came out , I believe it was last year, the same time the moped safety inspection program came out, moped registration transferors had NO WAY to protect themselves against irresponsible transferees who failed to complete the transfer.

A transferor relying on the good graces of a failed transferee's actions could and have had to deal with traffic tickets, fines and other penalties that they had no idea would be coming because of their trust in the transferee.

I myself have accumulated \$1500 in tickets that I had to pay because I had such a moped that had my name in the registration and I relied on the transferee to do their due diligence and they failed to. I paid the tickets and tried to track down the transferee but the tickets were from three years ago and he had long since disappeared to parts unknown.

My story is VERY COMMON with mopeds. Many times under the old system before safety inspections a moped once entering the used market could change hands multiple times, often ended up in the hands of a third , fourth , fifth or even later party , all along ALL of the blame, responsibility and liability SOLELY going in the name of the transferor who simply did his due diligence and was failed by those who did not. I know this from both my own personal story as well as my background as a moped professional who has had multiple times had to straighten out mixed up/convoluted and messed up ownership statuses on moped registrations.

To ask a Transferor and Transferee of a moped that hasn't been completed, especially from years even decades ago is simply not possible and not worth the time and effort to track them down. Mopeds have a much shorter usable lifespan than cars and are in most cases probably junked, abandoned, forgotten, disposed or simply no longer in existence.

The State and City and County would simply be wasting time, effort and resources that would be better served focusing on cars and automobiles instead of dragging mopeds into it.

I recommend that mopeds be removed from this bill if it is to proceed. Mopeds are considered powered DEVICES, NOT motor vehicles by the way. They are not bicycles nor motorcycles nor scooters and should simply be seen and accepted as the unique vehicle they are, a low cost, low powered, ecologically friendly personal transportation alternative. Rolling them into a class of vehicles that they do not belong to for convenience does not work because of this difference in definition.

Please do not go forward with this bill or at the very least amend the inclusion of mopeds on it.

Thank you.

Manabo Sato

Cofounder: Moped Doctors Inc.

Moped Safety Inspection Station Manager Station #1926

Hawaii State Legislature
Senate Committee on Transportation and Energy
Senate Committee on Public Safety, Intergovernmental, and Military Affairs

February 7, 2018

Filed via email to committees

RE: SB 2707, Motor Vehicle Insurance; Title Transfer - NAMIC's Written Testimony IN OPPOSITION

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committees for the February 8, 2018, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation. NAMIC's written comments need not be read into the record, so long as they are referenced as a formal submission and are provided to the committee for consideration.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country's largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC has 84 members who write property/casualty/workers' compensation in the State of Hawaii, which represents 28% of the insurance marketplace.

NAMIC appreciates the important public policy objective of the bill to make it more difficult for motor vehicle title transfers to be used to facilitate criminal activities. We also fully support efforts to prevent fraudulent motor vehicle title transfers. However, NAMIC is concerned that the proposed legislation will needlessly delay the settlement of motor vehicle total loss claims to the detriment of consumers, and increase claims adjusting costs and administrative expenses for insurers that will be insurance rate cost-drivers.

To start with, NAMIC questions whether the proposed legislation will appreciably reduce the use of falsely titled vehicles in criminal activities. One need only steal one motor vehicle and swap the license plate from another vehicle to mask the identity of the criminal perpetrator. As for the stated legislative declaration of reducing the number of vehicles on the roadway with a "transfer pending" title designation, NAMIC believes that there are other more cost-effective and administratively efficient ways to address this problem.

NAMIC is concerned that the proposed legislation will delay the timely settlement of motor vehicle total loss settlements, where the consumer transfers title to the insurer in exchange for a claims settlement check that they need to buy a replacement vehicle. SB 2707 would require the insurer and the claimant to "*to appear together before the county director of finance and present government-issued identification to finalize the transfer*". This would create a needless logistical problem for insurers and their consumers, that could ultimately lead to perpetual delays in getting the claim settled and the consumer back on the road with their new motor vehicle. This delay could have significant adverse societal implications, especially for elderly consumers and those who don't have flexibility in their professional schedule to take time off to appear in person at a county agency office with their insurer. This proposed title transfer process would also create staffing challenges and administrative costs and burdens for insurers that will act as an insurance rate cost-driver.

Although this is a well-intended bill, NAMIC questions how this new title transfer process will really address the public policy objective stated in the bill. The only thing that is guaranteed is that the bill will create new logistical challenges and administrative costs for consumers, insurers, and county directors of finance. For the aforementioned reasons, NAMIC requests your **NO VOTE on SB 2707**.



Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,

Christian John Rataj, Esq.
NAMIC Senior Regional Vice President
State Government Affairs, Western Region

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February 5, 2018

Senator Lorraine R. Inouye, Chair
Senate Committee on Transportation and Energy
Hawaii State Capitol
Honolulu, Hawaii 96813

Senator Clarence K. Nishihara, Chairperson
Senate Committee on Public Safety, Intergovernmental, and Military Affairs
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: S.B. 2707 Relating to Motor Vehicles

Dear Chair Inouye, Chair Nishihara and Members of the Committees:

My name is Nathan T. Natori and I represent Insurance Auto Auctions (“IAA”), a licensed motor vehicle dealer which handles the sale of damaged and theft-recovered vehicles for the insurance industry. We are writing in opposition to S.B. 2707 Relating to Motor Vehicles.

Section 3 of S.B. 2707 will require both the transferor and transferee of a used vehicle to ***both*** appear together before the Director of Finance to present the certificate of registration. That will be a logistical nightmare and will result in increased labor costs to the insurance company, motor vehicle dealership, financial institution, rental car company, etc., as they will have to appear with the transferee. It will also cause delays in transferring title.

Please feel free to contact me should you have any comments or questions regarding the above.

Very truly yours,

Natori Law Office LLLC

Nathan T. Natori