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# A BILL FOR AN ACT

RELATING TO REBUILT VEHICLES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that existing laws  
2     inhibit insurers' ability to push a rebuilt or salvage title  
3     when a total loss is retained by the insured for a flooded  
4     vehicle. Current cars have a significant amount of electronic  
5     devices installed throughout the vehicle and are highly  
6     vulnerable to flood damage, particularly if salt water is  
7     involved. Such vehicles should have a branded title to warn  
8     potential subsequent purchasers.

9           Accordingly, the purpose of this Act is to expand the  
10    definition of "rebuilt vehicle" to include motor vehicles that  
11    have been rebuilt after flood damage and material damage to the  
12    vehicle's electronics and define "flood damage".

13          SECTION 2. Section 286-2, Hawaii Revised Statutes, is  
14    amended as follows:

15          1. By adding a new definition to be appropriately inserted  
16    and to read:



1       "Flood damage" means damage caused to any electrical,  
2 computerized, or mechanical component of a vehicle that has been  
3 submerged in water to the point that rising water has reached  
4 over the doorsill and has entered the passenger compartment."

5       2. By amending the definition of "rebuilt vehicle" to  
6 read:

7       "Rebuilt vehicle" means any vehicle which has been  
8 declared a total loss by an insurer and has been rebuilt or  
9 repaired to operate on public highways. For the purpose of this  
10 definition, a vehicle is a total loss only if there is material  
11 damage, including flood damage, to the vehicle's electronics,  
12 frame, unitized structure, or suspension system, and the  
13 projected cost of repairing the damage exceeds the market value  
14 of the vehicle at the time of the incident causing it to be  
15 declared a total loss."

16       SECTION 3. New statutory material is underscored.

17       SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

Rebuilt Vehicle; Flood Damage; Electronics

**Description:**

Defines "flood damage" as it relates to a rebuilt vehicle.  
Expands the definition of "rebuilt vehicle" to include vehicles that have been rebuilt after sustaining flood damage or material damage to the vehicle's electronics. Effective 7/1/3000. (SD1)

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

