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# 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.



1           The database shall be developed and maintained by the  
2 designated agent in accordance with guidelines established by  
3 the insurance division to enable state and local law enforcement  
4 agencies to efficiently access the records of the database,  
5 including reports, useful for implementing this part.

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

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

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

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

17           (2) Compare all current motor vehicle registrations  
18 against the database.

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



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

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

6 (f) The commissioner shall adopt rules under chapter 91 to  
7 implement this part.

8 (g) The designated agent shall archive computer data files  
9 at least semi-annually for auditing purposes.

10 (h) The auditor shall audit the program at least every  
11 three years. The auditor's report shall include verification  
12 of:

13 (1) Billings made by the designated agent; and

14 (2) The accuracy of the designated agent's matching of  
15 vehicle registration data with motor vehicle insurance  
16 data.

17 **§431:10C-C Uninsured motorist identification special fund.**

18 (a) There is established within the state treasury a special  
19 fund to be known as the uninsured motorist identification  
20 special fund, into which shall be deposited the administrative  
21 reinstatement fees collected under section 249-31. All interest



1 accrued on moneys deposited in the fund shall become part of the  
2 fund.

3 (b) The uninsured motorist identification special fund  
4 shall be administered by the insurance division and shall be  
5 used for developing and administering the program.

6 **§431:10C-D Motor vehicle insurance reporting; penalty.**

7 (a) Each insurer that issues a policy that includes motor  
8 vehicle liability coverage, uninsured motorist coverage,  
9 underinsured motorist coverage, or personal injury coverage  
10 under this article, before the seventh day of each calendar  
11 month, shall provide to the designated agent a record of each  
12 motor vehicle insurance policy in effect for vehicles registered  
13 or garaged in the State as of the date of the previous  
14 submission that was issued by the insurer.

15 (b) Nothing in this section shall preclude more frequent  
16 reporting by an insurer on a voluntary basis.

17 (c) A record provided by an insurer under subsection (a)  
18 shall include:

19 (1) The make, year, and vehicle identification number of  
20 each insured vehicle;



1 (2) The policy number, effective date, and expiration date  
2 of each policy; and

3 (3) The name, date of birth, and if available, driver's  
4 license number of each insured owner or operator, and  
5 the address of the named insured.

6 Each insurer shall provide this information by an electronic  
7 means or by another form the designated agent agrees to accept.

8 (d) The insurance division may assess a fine against an  
9 insurer of no more than \$ for each day the insurer fails  
10 to comply with this section; provided that the insurance  
11 division shall waive the fine if an insurer shows that the  
12 failure to comply with this section was:

- 13 (1) Inadvertent;
- 14 (2) Accidental; or
- 15 (3) The result of excusable neglect.

16 **§431:10C-E Notice; proof; revocation of registration;**  
17 **false statement; penalties.** (a) If the comparison of current  
18 motor vehicle registrations against the database under section  
19 431:10C-B(d) shows that a motor vehicle has not been insured for  
20 the immediately previous three consecutive months, the  
21 designated agent shall provide notice to the owner of the motor



1 vehicle that the owner has thirty days to provide to the  
2 designated agent:

- 3 (1) Proof of the owner or operator's insurance; or
- 4 (2) Proof of the owner or operator's exemption from  
5 insurance requirements.

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

- 13 (1) Proof of the owner or operator's insurance; or
- 14 (2) Proof of the owner or operator's exemption from  
15 insurance requirements.

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



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

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

13 (e) A registration that has been revoked under this  
14 section shall not be reinstated and a new registration shall not  
15 be issued to the holder of the revoked registration until the  
16 person:

- 17 (1) Pays to the county finance director an administrative  
18 reinstatement fee of \$ ; and
- 19 (2) Complies with the other requirements of this part;  
20 provided that the fee imposed by this section shall be in  
21 addition to any other fees or penalties imposed by law.





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

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

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

9 In addition to any other penalties imposed by law, a person  
10 who violates this subsection shall be guilty of a misdemeanor  
11 pursuant to section 710-1061.

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

15 **§431:10C-F Disclosure of insurance information; penalty.**

16 (a) Information in the database provided by a person to the  
17 designated agent is considered to be the property of the person  
18 providing the information.

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



- 1           (1) For the purpose of investigating, litigating, or  
2           enforcing the owner or operator's insurance  
3           requirement, the designated agent may verify insurance  
4           information through the state computer network for a  
5           state or local government agency or court;
- 6           (2) For the purpose of investigating, litigating, or  
7           enforcing the owner or operator's insurance  
8           requirement, the designated agent shall, upon request,  
9           issue to any state or local government agency or court  
10          a certificate documenting the insurance information,  
11          according to the database, of a specific individual or  
12          motor vehicle for the time period designated by the  
13          agency or court;
- 14          (3) Upon request, the insurance division or designated  
15          agent shall disclose whether or not an individual or a  
16          motor vehicle is insured and the relevant insurance  
17          company name to:
- 18                (A) The individual or, if the individual is deceased,  
19                any legal representative of the individual;
- 20                (B) The parent or legal guardian of the individual if  
21                the individual is an unemancipated minor;



- 1 (C) The legal guardian of the individual if the
- 2 individual is legally incapacitated;
- 3 (D) A person who has power of attorney from the
- 4 individual;
- 5 (E) A person who submits a notarized release from the
- 6 individual dated no more than ninety days before
- 7 the date the request is made; or
- 8 (F) A person suffering loss or injury in a motor
- 9 vehicle accident in which the individual or motor
- 10 vehicle is involved, but only as part of an
- 11 accident report;
- 12 (4) Upon request of a law enforcement officer acting in an
- 13 official capacity, the insurance division or
- 14 designated agent shall disclose relevant information
- 15 related to the:
  - 16 (A) Registration and renewal of registration of a
  - 17 motor vehicle;
  - 18 (B) Purchase of a motor vehicle; and
  - 19 (C) Owner or operator's insurance requirements,
  - 20 for investigation, enforcement, or prosecution of
  - 21 laws, including those related to motor vehicle



1 registration, motor vehicle insurance, motor vehicle  
2 purchase, identity theft, and other crimes, and for  
3 issuing citations; and

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

8 (c) The insurance division may authorize the designated  
9 agent to prepare and deliver, upon request, a report on the  
10 insurance information of an individual or motor vehicle in  
11 accordance with this section.

12 The report may be delivered in the form of:

13 (1) A hard copy original or a certified copy that is  
14 considered admissible in any court proceeding in the  
15 same manner as the original; or

16 (2) Information accessible through the Internet or through  
17 another electronic medium if the insurance division  
18 determines that sufficient security is provided to  
19 ensure compliance with this section.



1 The commissioner may authorize the designated agent by rule to  
2 charge a fee established by the director of finance of each  
3 county for each report.

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

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

10 (f) The insurance division and the designated agent shall  
11 not be deemed to be in violation of this section by gathering,  
12 managing, or using the information in the database as provided  
13 in section 431:10C-B.

14 **§431:10C-G Compliance.** Every insurer that is subject to  
15 this article as an insurer as defined in section 431:10C-102  
16 shall comply with this part and with rules adopted by the  
17 insurance commissioner pursuant to this part for every motor  
18 vehicle insured by that insurer in the State.

19 **§431:10C-H Civil and administrative immunity.** Insurers  
20 and the designated agent shall be immune from civil and



1 administrative liability for good faith efforts to comply with  
2 the terms of this part.

3       **§431:10C-I Commercial and fleet vehicle exemption.** This  
4 part shall not apply to commercial vehicles and fleet vehicles.

5       **§431:10C-J Use of information.** Information provided to  
6 the designated agent by the insurance division or any insurer  
7 shall not be further disclosed or disseminated by the designated  
8 agent, except as authorized under this part, without the express  
9 written consent of the insurance division and the insurer. The  
10 designated agent shall enter into contractual relationships with  
11 insurers to further protect the confidentiality and security of  
12 information under this section."

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

15       "(a) Except as provided in this section, and  
16 notwithstanding any other law to the contrary, from time to  
17 time, the director of finance, for the purpose of defraying the  
18 prorated estimate of central service expenses of government in  
19 relation to all special funds, except the:

20       (1) Special out-of-school time instructional program fund  
21             under section 302A-1310;



- 1           (2) School cafeteria special funds of the department of
- 2                   education;
- 3           (3) Special funds of the University of Hawaii;
- 4           (4) State educational facilities improvement special fund;
- 5           (5) Convention center enterprise special fund under
- 6                   section 201B-8;
- 7           (6) Special funds established by section 206E-6;
- 8           (7) Aloha Tower fund created by section 206J-17;
- 9           (8) Funds of the employees' retirement system created by
- 10                   section 88-109;
- 11           (9) Hawaii hurricane relief fund established under chapter
- 12                   431P;
- 13           (10) Hawaii health systems corporation special funds and
- 14                   the subaccounts of its regional system boards;
- 15           (11) Tourism special fund established under section 201B-
- 16                   11;
- 17           (12) Universal service fund established under section 269-
- 18                   42;
- 19           (13) Emergency and budget reserve fund under section 328L-
- 20                   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)] Glass advance disposal fee established by section  
6 342G-82;
- 7 [(18)] Center for nursing special fund under section 304A-  
8 2163;
- 9 [(19)] Passenger facility charge special fund established by  
10 section 261-5.5;
- 11 [(20)] Solicitation of funds for charitable purposes special  
12 fund established by section 467B-15;
- 13 [(21)] Land conservation fund established by section 173A-5;
- 14 [(22)] Court interpreting services revolving fund under  
15 section 607-1.5;
- 16 [(23)] Trauma system special fund under section 321-22.5;
- 17 [(24)] Hawaii cancer research special fund;
- 18 [(25)] Community health centers special fund;
- 19 [(26)] Emergency medical services special fund;
- 20 [(27)] Rental motor vehicle customer facility charge special  
21 fund established under section 261-5.6;





1 [(28)] Shared services technology special fund under section  
2 27-43;

3 [(29)] Automated victim information and notification system  
4 special fund established under section 353-136;

5 [(30)] Deposit beverage container deposit special fund under  
6 section 342G-104;

7 [(31)] Hospital sustainability program special fund under  
8 [section 346G-4];

9 [(32)] Nursing facility sustainability program special fund  
10 under [section 346F-4];

11 [(33)] Hawaii 3R's school improvement fund under section  
12 302A-1502.4;

13 [(34)] After-school plus program revolving fund under section  
14 302A-1149.5; ~~and~~

15 [(35)] Civil monetary penalty special fund under section 321-  
16 30.2[7]; and

17 (36) Uninsured motorist identification special fund under  
18 section 431:10C-C,

19 shall deduct five per cent of all receipts of all other special  
20 funds, which deduction shall be transferred to the general fund  
21 of the State and become general realizations of the State. All



1 officers of the State and other persons having power to allocate  
2 or disburse any special funds shall cooperate with the director  
3 in effecting these transfers. To determine the proper revenue  
4 base upon which the central service assessment is to be  
5 calculated, the director shall adopt rules pursuant to chapter  
6 91 for the purpose of suspending or limiting the application of  
7 the central service assessment of any fund. No later than  
8 twenty days prior to the convening of each regular session of  
9 the legislature, the director shall report all central service  
10 assessments made during the preceding fiscal year."

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

- 13 "(a) Each special fund, except the:
- 14 (1) Special out-of-school time instructional program fund  
15 under section 302A-1310;
  - 16 (2) School cafeteria special funds of the department of  
17 education;
  - 18 (3) Special funds of the University of Hawaii;
  - 19 (4) State educational facilities improvement special fund;
  - 20 (5) Special funds established by section 206E-6;
  - 21 (6) Aloha Tower fund created by section 206J-17;



- 1 (7) Funds of the employees' retirement system created by
- 2 section 88-109;
- 3 (8) Hawaii hurricane relief fund established under chapter
- 4 431P;
- 5 (9) Convention center enterprise special fund established
- 6 under section 201B-8;
- 7 (10) Hawaii health systems corporation special funds and
- 8 the subaccounts of its regional system boards;
- 9 (11) Tourism special fund established under section 201B-
- 10 11;
- 11 (12) Universal service fund established under section 269-
- 12 42;
- 13 (13) Emergency and budget reserve fund under section 328L-
- 14 3;
- 15 (14) Public schools special fees and charges fund under
- 16 section 302A-1130;
- 17 (15) Sport fish special fund under section 187A-9.5;
- 18 [(16)] Neurotrauma special fund under section 321H-4;
- 19 [(17)] Center for nursing special fund under section 304A-
- 20 2163;



- 1        [(18)] Passenger facility charge special fund established by
- 2                    section 261-5.5;
- 3        [(19)] Court interpreting services revolving fund under
- 4                    section 607-1.5;
- 5        [(20)] Trauma system special fund under section 321-22.5;
- 6        [(21)] Hawaii cancer research special fund;
- 7        [(22)] Community health centers special fund;
- 8        [(23)] Emergency medical services special fund;
- 9        [(24)] Rental motor vehicle customer facility charge special
- 10                    fund established under section 261-5.6;
- 11        [(25)] Shared services technology special fund under section
- 12                    27-43;
- 13        [(26)] Nursing facility sustainability program special fund
- 14                    established pursuant to [section 346F-4];
- 15        [(27)] Automated victim information and notification system
- 16                    special fund established under section 353-136;
- 17        [(28)] Hospital sustainability program special fund under
- 18                    [section 346G-4]; ~~and~~
- 19        [(29)] Civil monetary penalty special fund under section 321-
- 20                    30.2[~~7~~]; and



1        (30) Uninsured motorist identification special fund  
2                    established under section 431:10C-C,  
3 shall be responsible for its pro rata share of the  
4 administrative expenses incurred by the department responsible  
5 for the operations supported by the special fund concerned."

6            SECTION 4. Section 249-31, Hawaii Revised Statutes, is  
7 amended to read as follows:

8            "**§249-31 State registration fee.** (a) All vehicles and  
9 motor vehicles in the State as defined in section 249-1,  
10 including antique motor vehicles, except as otherwise provided  
11 in sections 249-4, 249-6, and 249-31.5, shall be subject to a  
12 \$45 annual vehicle registration fee. The fee shall be paid each  
13 year together with all other taxes and fees levied by this  
14 chapter on a staggered basis as established by each county as  
15 authorized by section 286-51, and the state registration for  
16 that county shall likewise be staggered so that the state  
17 registration fee is due and payable at the same time and shall  
18 be collected together with the county fee. The state  
19 registration fee shall be deemed delinquent if not paid with the  
20 county registration fee. The respective counties shall collect  
21 this fee together with the vehicle registration tax collected



1 for the county and shall transfer the moneys collected under  
2 this section to the State.

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

6 (c) If a motor vehicle registration is revoked pursuant to  
7 section 431:10C-E, the registration shall not be reinstated  
8 until the administrative reinstatement fee of \$ \_\_\_\_\_ is paid,  
9 as required by that section. All administrative reinstatement  
10 fees collected shall be deposited into the uninsured motorist  
11 identification special fund."

4  
12 SECTION 5. Section 431:2-215, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) All assessments, fees, fines, penalties, and  
15 reimbursements collected by or on behalf of the insurance  
16 division under title 24, except for the commissioner's education  
17 and training fund (section 431:2-214), the patients'  
18 compensation fund (Act 232, Session Laws of Hawaii 1984), the  
19 uninsured motorist identification special fund (section 431:10C-  
20 C), the drivers education underwriters fee (sections  
21 431:10C-115 and 431:10G-107), and the captive insurance



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1 administrative fund (section 431:19-101.8) to the extent  
 2 provided by section 431:19-101.8(b), shall be deposited into the  
 3 compliance resolution fund under section 26-9(o). All sums  
 4 transferred from the insurance division into the compliance  
 5 resolution fund may be expended by the commissioner to carry out  
 6 the commissioner's duties and obligations under title 24."

7 SECTION 6. In codifying the new sections added by section  
 8 1 of this Act, the revisor of statutes shall substitute  
 9 appropriate section numbers for the letters used in designating  
 10 the new sections in this Act.

11 SECTION 7. Statutory material to be repealed is bracketed  
 12 and stricken. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on July 1, 2019.  
 14

INTRODUCED BY:

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# H.B. NO. 435

**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.*

