
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 or damage to the vehicle's electronics. Modern cars
5 have a significant amount of electronic devices installed
6 throughout the vehicle and are highly vulnerable to flood
7 damage, particularly if salt water is involved. Such a vehicle
8 should have a branded title to warn potential subsequent
9 purchasers that the vehicle has been declared a total loss and
10 might have hidden defects that could affect its safe operation.

11 Accordingly, the purpose of this Act is to provide greater
12 consumer protection and promote public safety by including flood
13 damage and material damage to a motor vehicle's electronics in
14 the definition of "rebuilt vehicle".

15 SECTION 2. Section 286-2, Hawaii Revised Statutes, is
16 amended by amending the definition of "rebuilt vehicle" to read
17 as follows:



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

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2019.

12



Report Title:

Rebuilt Vehicle; Flood Damage; Electronics; Branded Title

Description:

Includes flood damage and material damage to a motor vehicle's electronics in the definition of "rebuilt vehicle" in section 286-2, Hawaii Revised Statutes. (SD1)

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