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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE INSURANCE.

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

1           SECTION 1. The legislature finds that the State faces  
2 rising inflation due to the coronavirus disease 2019 (COVID-19)  
3 pandemic.

4           The legislature further finds that motor vehicle insurance  
5 minimum coverage requirements have remained unamended since the  
6 enactment of Act 275, Session Laws of Hawaii 1998, nearly  
7 twenty-five years ago. Accordingly, the required liability  
8 insurance minimum coverage requirements currently in effect are  
9 insufficient. The legislature further finds that with rising  
10 inflation, the failure to increase these amounts will operate as  
11 a tax on tort victims throughout our State. Therefore, the  
12 legislature finds that it must take action to mitigate the  
13 impacts on Hawaii residents.

14           Accordingly, the purpose of this Act is to increase the  
15 minimum amounts of liability insurance coverage required for  
16 motor vehicle insurance policies.



1 SECTION 2. Section 431:10C-301, Hawaii Revised Statutes,  
2 is amended by amending subsection (b) to read as follows:

3 "(b) A motor vehicle insurance policy shall include:

4 (1) Liability coverage of:

5 (A) Until December 31, 2026, not less than [~~\$20,000~~  
6 \$50,000 per person, with an aggregate limit of  
7 [~~\$40,000~~] \$100,000 per accident[~~7~~]; and

8 (B) Beginning January 1, 2027, not less than \$100,000  
9 per person, with an aggregate limit of \$200,000  
10 per accident,

11 for all damages arising out of accidental harm  
12 sustained as a result of any one accident and arising  
13 out of ownership, maintenance, use, loading, or  
14 unloading of a motor vehicle;

15 (2) Liability coverage of:

16 (A) Until December 31, 2026, not less than [~~\$10,000~~  
17 \$20,000; and

18 (B) Beginning January 1, 2027, not less than \$40,000,  
19 for all damages arising out of damage to or  
20 destruction of property including motor vehicles and  
21 including the loss of use thereof, but not including



1 property owned by, being transported by, or in the  
2 charge of the insured, as a result of any one accident  
3 arising out of ownership, maintenance, use, loading,  
4 or unloading, of the insured vehicle;

5 (3) With respect to any motor vehicle registered or  
6 principally garaged in this State, liability coverage  
7 provided therein or supplemental thereto, in limits  
8 for bodily injury or death set forth in paragraph (1),  
9 under provisions filed with and approved by the  
10 commissioner, for the protection of persons insured  
11 thereunder who are legally entitled to recover damages  
12 from owners or operators of uninsured motor vehicles  
13 because of bodily injury, sickness, or disease,  
14 including death, resulting therefrom; provided that  
15 the coverage required under this paragraph shall not  
16 be applicable where any named insured in the policy  
17 shall reject the coverage in writing; and

18 (4) Coverage for loss resulting from bodily injury or  
19 death suffered by any person legally entitled to  
20 recover damages from owners or operators of  
21 underinsured motor vehicles. An insurer may offer the



1 underinsured motorist coverage required by this  
2 paragraph in the same manner as uninsured motorist  
3 coverage; provided that the offer of both shall:  
4 (A) Be conspicuously displayed so as to be readily  
5 noticeable by the insured;  
6 (B) Set forth the premium for the coverage adjacent  
7 to the offer in a manner that the premium is  
8 clearly identifiable with the offer and may be  
9 easily subtracted from the total premium to  
10 determine the premium payment due in the event  
11 the insured elects not to purchase the option;  
12 and  
13 (C) Provide for written rejection of the coverage by  
14 requiring the insured to affix the insured's  
15 signature in a location adjacent to or directly  
16 below the offer."

17 SECTION 3. This Act does not affect rights and duties that  
18 matured, penalties that were incurred, and proceedings that were  
19 begun before its effective date.

20 SECTION 4. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



# H.B. NO. 15

1 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be a stylized 'D' or 'D-' followed by a horizontal line.

JAN 13 2023



# H.B. NO. 15

**Report Title:**

Motor Vehicle Insurance; Mandatory Minimum Coverage

**Description:**

Increases, in tiers, the minimum amounts of liability insurance coverage required for motor vehicle insurance policies.

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

