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

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

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



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

2 (1) Liability coverage of:

3 (A) Until December 31, 2026, not less than [~~\$20,000~~]

4 \$ _____ per person, with an aggregate limit

5 of [~~\$40,000~~] \$ _____ per accident[~~7~~]; and

6 (B) Beginning January 1, 2027, not less than

7 \$ _____ per person, with an aggregate limit

8 of \$ _____ per accident,

9 for all damages arising out of accidental harm

10 sustained as a result of any one accident and arising

11 out of ownership, maintenance, use, loading, or

12 unloading of a motor vehicle;

13 (2) Liability coverage of:

14 (A) Until December 31, 2026, not less than [~~\$10,000~~]

15 \$ _____ ; and

16 (B) Beginning January 1, 2027, not less than

17 \$ _____ ,

18 for all damages arising out of damage to or

19 destruction of property including motor vehicles and

20 including the loss of use thereof, but not including

21 property owned by, being transported by, or in the



1 charge of the insured, as a result of any one accident
2 arising out of ownership, maintenance, use, loading,
3 or unloading, of the insured vehicle;

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

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



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

16 SECTION 3. (a) The insurance commissioner shall issue a
17 memorandum to solicit rate filings from motor vehicle insurers
18 to reflect amendments to section 431:10C-301(b)(1)(A) and
19 (2)(A), Hawaii Revised Statutes, no later than July 1, 2023.
20 Rate filings shall be due no later than December 1, 2023, and



1 the relevant rate changes shall be effective for new and renewal
2 policies on or after July 1, 2024.

3 (b) The insurance commissioner shall issue a memorandum to
4 solicit rate filings from motor vehicle insurers to reflect
5 amendments to section 431:10C-301(b) (1) (B) and (2) (B), Hawaii
6 Revised Statutes, no later than January 1, 2026. Rate filings
7 shall be due no later than July 1, 2026, and the relevant rate
8 changes shall be effective for new and renewal policies on or
9 after January 1, 2027.

10 SECTION 4. This Act shall apply to motor vehicle insurance
11 policies entered into, amended, or renewed on or after the
12 effective date of this Act.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on June 30, 3000.

16



H.B. NO. ⁷⁵ H.D. 1

Report Title:

Motor Vehicle Insurance; Mandatory Minimum Coverage

Description:

Increases, in tiers, the minimum amounts of liability insurance coverage required under motor vehicle insurance policies. Requires the insurance commissioner to solicit rate filings for the changes in the minimum amounts. Applies to policies entered into, amended, or renewed on or after the effective date of the Act. Effective 6/30/3000. (HD1)

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