

JAN 20 2023

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 pandemic
3 and the war in Ukraine, among other things.

4 The legislature further finds that motor vehicle insurance
5 minimums have remained unamended for nearly twenty-five years,
6 since Act 275, Session Laws of Hawaii 1998, making the current
7 required liability insurance minimums insufficient. The
8 legislature further finds that with rising inflation, failure to
9 increase motor vehicle insurance will operate as a tax on tort
10 victims throughout the State.

11 Accordingly, the legislature finds that it must take action
12 to mitigate the impacts on Hawai'i residents through legislation.

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

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

16 (1) Liability coverage of not less than [~~\$20,000~~] \$50,000
17 per person, with an aggregate limit of [~~\$40,000~~]



1 \$100,000 per accident, for all damages arising out of
2 accidental harm sustained as a result of any one
3 accident and arising out of ownership, maintenance,
4 use, loading, or unloading of a motor vehicle;

5 (2) Liability coverage of not less than [~~\$10,000~~] \$20,000
6 for all damages arising out of damage to or
7 destruction of property including motor vehicles and
8 including the loss of use thereof, but not including
9 property owned by, being transported by, or in the
10 charge of the insured, as a result of any one accident
11 arising out of ownership, maintenance, use, loading,
12 or unloading, of the insured vehicle;

13 (3) With respect to any motor vehicle registered or
14 principally garaged in this State, liability coverage
15 provided therein or supplemental thereto, in limits
16 for bodily injury or death set forth in paragraph (1),
17 under provisions filed with and approved by the
18 commissioner, for the protection of persons insured
19 thereunder who are legally entitled to recover damages
20 from owners or operators of uninsured motor vehicles
21 because of bodily injury, sickness, or disease,



1 including death, resulting therefrom; provided that
2 the coverage required under this paragraph shall not
3 be applicable where any named insured in the policy
4 shall reject the coverage in writing; and

5 (4) Coverage for loss resulting from bodily injury or
6 death suffered by any person legally entitled to
7 recover damages from owners or operators of
8 underinsured motor vehicles. An insurer may offer the
9 underinsured motorist coverage required by this
10 paragraph in the same manner as uninsured motorist
11 coverage; provided that the offer of both shall:

12 (A) Be conspicuously displayed so as to be readily
13 noticeable by the insured;

14 (B) Set forth the premium for the coverage adjacent
15 to the offer in a manner that the premium is
16 clearly identifiable with the offer and may be
17 easily subtracted from the total premium to
18 determine the premium payment due in the event
19 the insured elects not to purchase the option;
20 and



1 (C) Provide for written rejection of the coverage by
2 requiring the insured to affix the insured's
3 signature in a location adjacent to or directly
4 below the offer[-];
5 provided that on January 1, 2027, the minimum liability coverage
6 shall be increased by \$50,000 per person; the aggregate limit
7 shall be increased by \$100,00 per accident; and the minimum
8 liability coverage shall be increased by \$20,000 for all damages
9 arising out of damage to or destruction of property including
10 motor vehicles and including the loss of use thereof, but not
11 including property owned by, being transported by, or in the
12 charge of the insured, as a result of any one accident arising
13 out of ownership, maintenance, use, loading, or unloading, of
14 the insured vehicles."

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

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



S.B. NO. 976

Report Title:

Motor Vehicle Insurance; Liability Minimums

Description:

Increases minimum liability coverage of motor vehicles.

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

