



STATE OF HAWAII
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IN REPLY REFER TO:

February 14, 2009

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 1755

COMMITTEE ON TRANSPORTATION

House Bill 1755 exempts driving under the influence from the requirement to provide proof of financial responsibility following a license suspension or revocation.

The Department opposes this bill. We believe this legislation would weaken the penalties for impaired drivers by removing the financial responsibility for all impaired drivers.

According to the Hawaii's Strategic Highway Safety Plan, Hawaii ranks ninth in the nation in the percentage of traffic fatalities that involved impaired driving. Almost half (48 percent) of all fatal traffic crashes in Hawaii over the years 2001-2005 involved a driver who tested positive for alcohol or drugs, with a resulting average of 63 fatalities in Hawaii each year. Alcohol was involved in 36 percent of the crashes and 39 percent of the fatalities. Also, compared to other drivers, alcohol-positive drivers were younger, less likely to use protective devices and had more severe injuries.

During 2007, alcohol was involved in 60, or 48 percent, of Hawaii's 125 fatal crashes. Statistics for 2008 are not available at this time as we are still awaiting blood alcohol content results.



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER

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House Committee on Transportation
Conference Room 309 State Capitol
Saturday, February 14, 2009, 9:00 a.m.
HB 1755 – Relating to Traffic Violations

Chairman Souki, Vice Chairman Awana, and Members of the Transportation Committee:

My name is Timothy Dayton, General Manager of GEICO in Hawaii. GEICO provides jobs for 170 associates at its Hawaii Branch office and is Hawaii's largest motor vehicle insurer. **GEICO opposes House Bill Number 1755.**

House Bill 1755 would exempt driving under the influence from the requirement to provide proof of financial responsibility from a license suspension or revocation.

Section 287-20 of the Hawaii Revised Statutes requires that when a person's driver's license is suspended or revoked, he or she must show the requisite compliance with financial responsibility requirements in order to have his or her license reinstated. This requirement is good public policy meant to ensure that persons who have been deemed to be dangerous enough drivers as to warrant the

suspension or revocation of their driver's license at least meet the **minimum** financial responsibility requirements before they are permitted to again drive on the streets of Hawaii.

Exemption of persons who have been convicted of driving under the influence would be an abrogation of the duty to protect the public from drivers who have demonstrated their disregard of the safety of others without confirming that the person has a minimum of liability insurance coverage to protect the public from any damage caused by their acts.

In addition, allowing a person to have his or her driver's license reinstated would be a tacit encouragement that it is acceptable to drive without the requisite insurance required by Hawaii law. This behavior should not be encouraged.

House Bill 1755 is bad public policy and would result in more drivers driving uninsured in Hawaii to the detriment of the public good. We ask that you vote against this measure.

I very much appreciate the opportunity to submit this testimony

A handwritten signature in black ink, appearing to read "Timothy M. Dayton", with a long horizontal flourish extending to the right.

Timothy M. Dayton



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Alison Powers
Executive Director

TESTIMONY OF ALISON POWERS

HOUSE COMMITTEE ON TRANSPORTATION
Representative Joseph M. Souki, Chair
Representative Karen Leinani Awana, Vice Chair

Saturday, February 14, 2009
9:00 a.m.

HB 1755

Chair Souki, Vice Chair Awana and members of the Committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 60% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** **H.B. 1755** which would exempt drivers whose license has been suspended or revoked for driving while intoxicated from filing proof of financial responsibility (SR 22), no matter how many times a person may be convicted of this offense.

HIC members believe that SR 22s for intoxicating driving should be retained as it serves as a tool for the insurance industry to properly price the risk of future bad driving behavior. The additional premiums charged serve as a deterrent to drivers to not drive drunk on our roadways while serving their main purpose of assessing driver risk. If bad drivers do not pay their fair share, good drivers will pay more.

In addition, without the SR 22 requirement, insurers may request more traffic abstracts, which will increase insurers' administrative costs and these costs will eventually be passed on to the consumer. The cost of a single traffic abstract is a statutory minimum of \$7 and as high as \$10 for those insurers that use a vendor to access driving record information.

We respectfully request that H.B. 1755 be held.

Thank you for this opportunity to testify.



MADD
Activism | Victim Services | Education™

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February 14, 2009

To: Representative Joseph M. Souki, Chair – House Committee on Transportation;
Representative Karen Leinani Awana, Vice Chair; and members of the committee

From: Arkie Koehl, Chairman –Public Policy Committee, MADD-Hawaii

Re: House Bill 1755 – Relating to Motor Vehicles

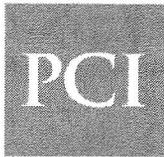
I am Arkie Koehl, Chairman of MADD Hawaii's Public Policy Committee, testifying in opposition to House Bill 1755 relating to Motor Vehicles.

This measure exempts all OVUII offenders from the requirement to show proof of financial responsibility.

MADD has no information about the reason for the introduction of this measure. We can only speculate that since another bill was introduced concerning proof of responsibility and speeding, someone decided to extend the idea to repeat offenses of OVUII – operating a vehicle under the influence of an intoxicant. The justification for eliminating the requirement for proof of responsibility from speeding offenses is to reduce the number of requests for trials which is evidently causing court congestion and backlogs because of the large number of such cases. However, for OVUII, first offenders are already exempt from the requirement to post proof of financial responsibility leaving only the repeat offenders to consider requesting a trial to avoid paying possible insurance surcharges resulting from obtaining the SR22. It is MADD's understanding that only about 20% of arrests are for repeat offenses or no more than 100 cases per year. We have no data on how many of these repeat offenders request a trial. Overall, since administrative license revocation went into effect in 1992, the majority of OVUII cases do not result in trials because the impaired driver has already lost his license administratively.

MADD Hawaii feels that the surcharge which is added to a repeat OVUII offender's insurance premium is reasonable and justifiable considering this population's potential risk on the highway and costs to society resulting from collisions these offenders could cause. As a victims' organization, MADD believes it is very important for drivers to be insured and to be able to assume responsibility for damages, injuries, and even deaths for which they may be responsible. Repeat OVUII offenders are in one of the highest risk categories for crashes and therefore should prove that they could be financially responsible for the costs associated with any future highway collisions they may cause.

Thank you for this opportunity to testify.



**Property Casualty Insurers
Association of America**

Shaping the Future of American Insurance
1415 L Street, Suite 670, Sacramento, CA 95814-3972

To: The Honorable Joseph M. Souki, Chair
House Committee on Transportation

From: Samuel Sorich, Vice President

Re: **HB 1755 – Relating to Motor Vehicles**
PCI Position: Oppose

Date: Saturday, February 14, 2009
9:00 a.m.; Conference Room 309

Aloha Chair Souki and Members of the Committee:

The Property Casualty Insurers Association of American (PCI) is opposed to HB 1755 because the bill would remove a statutory requirement that protects drivers from being exposed to costs that result from accidents involving uninsured drivers.

HB 1755 would repeal the requirement that a person who has had his or her driver's license suspended or revoked because he or she was driving under the influence (DUI) of an intoxicant must provide proof of financial responsibility. The requirement is good public policy and should be kept in place.

All drivers must comply with the financial responsibility law. The requirement that persons who are guilty of (DUI) must provide proof of their compliance with the law makes good sense because these drivers present a special threat. Making sure that these drivers have insurance protects other drivers because it helps to reduce the likelihood that drivers will be in accidents with risky drivers who have no insurance coverage.

PCI sees no good reason to repeal proof of financial responsibility law. PCI recommends that the Committee reject HB 1755.

**HOUSE COMMITTEE ON
TRANSPORTATION**

February 14, 2009

House Bill 1755 Relating to Motor Vehicles

Chair Souki and members of the House Committee on Transportation, I am Rick Tsujimura, representing State Farm Insurance Companies, a mutual company owned by its policyholders. State Farm opposes House Bill 1755 Relating to Motor Vehicles.

House Bill 1755 amends section 287-20, which deals with the proof of financial responsibility following the conviction of a driver of certain offenses. In substance, the bill would allow drivers convicted of driving under the influence or for refusing a breath or blood test to continue driving without proof of financial responsibility or, in other words, the convicted drivers could continue to drive without informing their insurance company of their conviction. This would force good law abiding drivers to pay for the bad DUI driver. Yes, it will result in DUI drivers not having to pay an increased premium for their auto insurance, but is that fair? This measure is not good public policy.

The purpose of insurance is to provide coverage based upon the proper assessment of the risk. Without this tool rates will rise as bad drivers pay considerably less than what they should pay. This will result ultimately in costs being passed onto good law abiding drivers.

For these reasons we ask that the bill be held.

Thank you for the opportunity to present this testimony.