HAWAII INSURERS COUNCIL
A trade association of property and casualty insurance companies

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Alison Powers
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TESTIMONY OF ALISON POWERS

SENATE COMMITTEE ON WAYS AND MEANS
Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

Tuesday, February 23, 2010
10:00 a.m.

S.B. 2159

Chair Kim, Vice Chair Tsutsui 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 45% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** S.B. 2159, which would increase the fee for traffic abstracts from $7 to $10, with one hundred per cent of this increase deposited into the general fund.

Hawaii has an antiquated motor vehicle records system in which accurate, real-time access is unavailable. Batch orders are only available electronically via a third party and abstracts for drivers who have violations can be delayed up to ten days via this process. This bill adds 43% onto the already high cost of motor vehicle records of $7 each. California for instance, has had an electronic motor vehicle records system in place for some time and its cost per record is a mere $2.

One Hawaii Insurers Council member, for example, insures over 100,000 drivers. The cost of pulling one motor vehicle record per driver today is $700,000. If half of those drivers' records were pulled once a year for review, the cost is $350,000. If the motor vehicle record cost were increased 43% to $10, the cost for 100,000 records would be $1 million. This directly adds cost to the insured driver with no direct benefit. One hundred per cent of the increase goes directly into the general fund, which is an unfair burden on the insured driver and actually exceeds the cost of providing the motor vehicle record.

We respectfully request that S.B. 2159 be held.

Thank you for the opportunity to testify.