GOODSILL ANDERSON QUINN & STIFEL
A LIMITED LIABILITY LAW PARTNERSHIP LLP

GOVERNMENT RELATIONS TEAM:
GARY M. SLOVIN
ANNE T. HORIUCHI
MIHOKO E. ITO
CHRISTINA ZAHARA NOH

ALII PLACE, SUITE 1800 • 1099 ALAKEA STREET
HONOLULU, HAWAII 96813

MAIL ADDRESS: P.O. BOX 3196
HONOLULU, HAWAII 96801

TELEPHONE (808) 547-5600 • FAX (808) 547-5880
info@goodsill.com • www.goodsill.com

INTERNET:
gslovin@goodsill.com
ahoriuchi @goodsill.com
meito@goodsill.com
cnoh@goodsill.com

MEMORANDUM

TO: Senator Donna Mercado Kim
Chair, Committee on Ways and Means
Via Email: WAMTestimony@Capitol.hawaii.gov

FROM: Anne T. Horiuchi

DATE: February 22, 2010

RE: **S.B. 2159 – Relating to Traffic Abstract Fee**
Decision Making: Tuesday, February 23, 2010 at 10:00 a.m., Room 211

Dear Chair Kim and Members of the Committee:

USAA, a diversified financial services company, is the leading provider of competitively priced financial planning, insurance, investments, and banking products to members of the U.S. military and their families. USAA has over 82,000 members in Hawaii.

S.B. 2159 increases the fee for a traffic abstract from $7 to $10 and increases the amount of the fee deposited into the general fund from $5 to $8. USAA **opposes** this measure.

USAA, like other insurers, must order these abstracts in large numbers in order to conduct our business. USAA gave 14,000 quotes last year and issued 8,100 operator policies in Hawaii, for an internal cost of more than $160,000 per year in total cost of traffic abstracts.[1] At $7 per abstract, Hawaii is already one of the highest-charging states in the nation. In light of the volume of abstracts ordered, an increase of $3 will have a significant impact upon our business. For these reasons, we oppose this measure and respectfully request that it be held in committee.

Thank you for the opportunity to submit comments on this measure.

---

[1] Traffic abstracts are ordered for all quotes, not just for policies issued. USAA purchases the abstracts from a vendor, who obtains the abstracts from the State.