

Honolulu, Hawaii

APR 06 2016

RE: H.B. No. 1705

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 1705 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to allow proof of motor vehicle, motorcycle, and motor scooter insurance to be displayed in electronic format on a mobile electronic device.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, GEICO, State Farm Mutual Automobile Insurance Company, USAA, and one individual.

Your Committee finds that more states are recognizing the widespread use of mobile technology and updating motor vehicle insurance laws accordingly. According to testimony received by your Committee, the vast majority of states in the country now permit drivers to use an electronic copy of their insurance card as valid proof of insurance. The acceptance of this technology has grown rapidly since March 2012, when Idaho became the first state in the country to accept electronic motor vehicle insurance cards.

Your Committee further finds that customers increasingly use mobile electronic devices to keep track of and maintain important



personal information. Accordingly, this measure authorizes owners and drivers of motor vehicles, motorcycles, and motor scooters in Hawaii to display proof of insurance in electronic format on a mobile electronic device and offers the option of electronic cards to be used as proof of insurance in the same situations where paper cards are currently accepted.

Your Committee notes that since the intent of this measure is to ensure that consumers have the option to produce proof of insurance in either paper or electronic format, a more straightforward solution is to amend existing law relating to verification of insurance and permit insurers to issue paper or electronic insurance identification cards that can be used as proof of insurance. Clarifying amendments to this measure are therefore necessary.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that every insurer shall issue to its insureds a paper or electronic motor vehicle insurance identification card for each insured motor vehicle and a paper or electronic proof of insurance card for each insured motorcycle or motor scooter;
- (2) Authorizing the electronic motor vehicle insurance identification card or the electronic proof of insurance card for motorcycles and motor scooters to be accessed directly through the licensed insurer's website, application, or database;
- (3) Clarifying that the insurance identification card or proof of insurance card shall be in the insured motor vehicle or carried on the person operating the insured motorcycle or motor scooter or accessible on a mobile electronic device at all times and shall be exhibited to a law enforcement officer upon demand;
- (4) Removing unnecessary language in certain sections of chapter 286, Hawaii Revised Statutes, that would have permitted an owner of a vehicle to display a motor vehicle insurance identification card or proof of insurance card for the purposes of state inspections or driver's application examinations, as language in this amended measure permits electronic cards to be used as proof of motor vehicle insurance in the same situations



where paper cards are currently accepted, including state inspections and driver's application examinations; and

- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">HB 1705</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPH</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3-29-16</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.	/			
SLOM, Sam				/
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; text-align: center;">Michelle N. Kidani</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes