

JAN 20 2023

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# 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 The purpose of this Act is to increase the minimum motor vehicle  
14 liability insurance coverage.

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

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



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- 1           (1) Liability coverage of not less than [~~\$20,000~~] \$100,000  
2                     per person, with an aggregate limit of [~~\$40,000~~]  
3                     \$200,000 per accident, for all damages arising out of  
4                     accidental harm sustained as a result of any one  
5                     accident and arising out of ownership, maintenance,  
6                     use, loading, or unloading of a motor vehicle;
- 7           (2) Liability coverage of not less than [~~\$10,000~~] \$20,000  
8                     for all damages arising out of damage to or  
9                     destruction of property including motor vehicles and  
10                    including the loss of use thereof, but not including  
11                    property owned by, being transported by, or in the  
12                    charge of the insured, as a result of any one accident  
13                    arising out of ownership, maintenance, use, loading,  
14                    or unloading, of the insured vehicle;
- 15          (3) With respect to any motor vehicle registered or  
16                    principally garaged in this State, liability coverage  
17                    provided therein or supplemental thereto, in limits  
18                    for bodily injury or death set forth in paragraph (1),  
19                    under provisions filed with and approved by the  
20                    commissioner, for the protection of persons insured  
21                    thereunder who are legally entitled to recover damages



1 from owners or operators of uninsured motor vehicles  
2 because of bodily injury, sickness, or disease,  
3 including death, resulting therefrom; provided that  
4 the coverage required under this paragraph shall not  
5 be applicable where any named insured in the policy  
6 shall reject the coverage in writing; and

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

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

16 (B) Set forth the premium for the coverage adjacent  
17 to the offer in a manner that the premium is  
18 clearly identifiable with the offer and may be  
19 easily subtracted from the total premium to  
20 determine the premium payment due in the event



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1                   the insured elects not to purchase the option;  
2                   and

3                   (C) Provide for written rejection of the coverage by  
4                   requiring the insured to affix the insured's  
5                   signature in a location adjacent to or directly  
6                   below the offer."

7                   SECTION 3. This Act does not affect rights and duties that  
8                   matured, penalties that were incurred, and proceedings that were  
9                   begun before its effective date.

10                  SECTION 4. Statutory material to be repealed is bracketed  
11                  and stricken. New statutory material is underscored.

12                  SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:                     *Karl Rhoads*                    



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**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.*

