

STAND. COM. REP., NO.

830

Honolulu, Hawaii

MAR 02 , 2023

RE: H.B. No. 639
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 639 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify when the termination of peer-to-peer car-sharing occurs for purposes of motor vehicle insurance;
- (2) Clarify the application of the peer-to-peer car-sharing insurance laws as to other entities that make available rental vehicles under state law;
- (3) Amend the minimum motor vehicle insurance coverage for shared cars;
- (4) Clarify when the requirements for motor vehicle insurance coverage are satisfied; and
- (5) Repeal the sunset date for peer-to-peer car-sharing insurance requirements.

Your Committee received testimony in support of this measure from Turo, Getaround, and one individual. Your Committee received

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testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and Hawaii Association for Justice.

Your Committee finds that peer-to-peer car sharing allows for vehicle owners to share their vehicles with others through online platforms. Your Committee further finds that the increasing popularity of peer-to-peer car-sharing programs and the accompanying concerns over whether drivers and passengers were adequately covered by insurance prompted the State to enact Act 56, Session Laws of Hawaii 2022 (Act 56). Act 56 established minimum insurance coverage requirements for shared cars made available through peer-to-peer car-sharing programs, and is also set to sunset on June 30, 2025.

Your Committee notes that the requirements of Act 56 have only been in effect since January 1, 2023. As such, further time is needed before determining whether the regulations under Act 56 are too onerous.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that:
 - (A) Amended the minimum motor vehicle insurance coverage for shared cars to align with the minimum insurance coverage required of other vehicles; and
 - (B) Clarified when the requirements for motor vehicle insurance coverage were satisfied; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be placed on the calendar for Third Reading.



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



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HB 639

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>HB 639</i>	Committee Referral: <i>CPC</i>	Date: <i>02-22-23</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. SAYAMA, Jackson D. (VC)	/			
3. AMATO, Terez				/
4. BELATTI, Della Au				/
5. HASHEM, Mark J.	/			
6. HUSSEY-BURDICK, Natalia	/			
7. GATES, Cedric Asuega	/			
8. LOWEN, Nicole E.	/			
9. ONISHI, Richard H.K.				/
10. TAM, Adrian K.	/			
11. PIERICK, Elijah	/			
TOTAL (11)	<i>8</i>			<i>3</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Justin Engen</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				