
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that traffic fatalities
3 and injuries in Hawaii have increased, with a record high of one
4 hundred seventeen traffic fatalities and five hundred seventy
5 serious traffic-related injuries in 2022. In the first six
6 months of 2023, Hawaii had forty-three traffic fatalities, with
7 two deaths occurring immediately outside of public schools. The
8 legislature recognizes that these tragic events demonstrate the
9 need for greater safeguards and deterrents to improve safety on
10 Hawaii's streets and better protect Hawaii's residents.

11 The legislature further finds that repeated violations of
12 the State's minimum motor vehicle insurance policy requirements
13 have increased, burdening innocent victims of motor vehicle
14 accidents with the cost of accidents caused by repeat offenders.
15 Motor vehicle insurance minimums have remained unamended for
16 nearly twenty-five years, making the required liability
17 insurance minimums insufficient to protect Hawaii residents from
18 repeat offenders.



1 The legislature also finds that with rising inflation,
2 failure to increase motor vehicle insurance will operate as a
3 financial burden imposed on tort victims throughout Hawaii. The
4 legislature notes that the State is experiencing medical
5 inflation, which has substantially increased the average cost of
6 motor vehicle accident-related injuries since the required motor
7 vehicle insurance minimums were last amended. The legislature
8 also notes that Hawaii's outdated liability insurance minimum
9 requirements disproportionately impact residents injured in
10 motor vehicle accidents, and are no longer sufficient to protect
11 law-abiding drivers and pedestrians. The legislature believes
12 that it is necessary to mitigate these impacts on Hawaii
13 residents through legislation to increase certain traffic fines
14 and required motor vehicle insurance minimums.

15 Accordingly, the purpose of this part is to amend the
16 penalties for repeated driving without motor vehicle liability
17 insurance and required motor vehicle insurance.

18 SECTION 2. Section 431:10C-117, Hawaii Revised Statutes,
19 is amended by amending subsection (a) to read as follows:

20 "(a)(1) Any person subject to this article in the capacity of
21 the operator, owner, or registrant of a motor vehicle



1 operated in this State, or registered in this State,
2 who violates any applicable provision of this article,
3 shall be subject to citation for the violation by any
4 county police department in a form and manner approved
5 by the traffic and emergency period violations bureau
6 of the district court of the first circuit;

7 (2) Notwithstanding any provision of the Hawaii Penal
8 Code:

9 (A) Each violation shall be deemed a separate offense
10 and shall be subject to a fine of [~~no~~] not less
11 than \$100 nor more than \$5,000 which shall not be
12 suspended except as provided in subparagraph (B);
13 and

14 (B) If the person is convicted of not having had a
15 motor vehicle insurance policy in effect at the
16 time the citation was issued, the fine shall be
17 \$500 for the first offense and a minimum of
18 [~~\$1,500~~] \$2,000 for each subsequent offense that
19 occurs within a five-year period from any prior
20 offense; provided that the court:



1 (i) Shall have the discretion to suspend all or
2 any portion of the fine if the defendant
3 provides proof of having a current motor
4 vehicle insurance policy; provided further
5 that upon the defendant's request, the court
6 may grant community service in lieu of the
7 fine, of no less than seventy-five hours and
8 no more than one hundred hours for the first
9 offense, and [~~no~~] not less than two hundred
10 hours nor more than two hundred seventy-five
11 hours for the second offense; and

12 (ii) May grant community service in lieu of the
13 fine for subsequent offenses at the court's
14 discretion;

15 (3) In addition to the fine in paragraph (2), the court
16 shall either:

17 (A) Suspend the driver's license of the driver or of
18 the registered owner for:

19 (i) Three months for the first conviction; and

20 (ii) One year for any subsequent offense within a
21 five-year period from a previous offense;



1 provided that the driver or the registered owner
2 shall not be required to obtain proof of
3 financial responsibility pursuant to section
4 287-20; or

5 (B) Require the driver or the registered owner to
6 keep a nonrefundable motor vehicle insurance
7 policy in force for six months;

8 (4) Any person subject to a fine under this section and
9 who fails to timely pay the fine shall be given an
10 opportunity to petition the court to demonstrate that
11 the person's nonpayment or inability to pay is not
12 wilful; provided that if the person petitions the
13 court, the court shall make an individualized
14 assessment of the person's ability to pay based upon
15 the totality of the circumstances, including the
16 person's disposable income, financial obligations, and
17 liquid assets; provided further that if the court
18 determines that the person's nonpayment or inability
19 to pay is not wilful, the court may enter an order
20 that allows additional time for payment; reduces the
21 amount of each installment; revokes the fee or fine,



1 or unpaid portion thereof, in whole or in part; or
2 converts any outstanding fine to community service;
3 (5) Any person cited under this section shall have an
4 opportunity to present a good faith defense, including
5 lack of knowledge or proof of insurance; provided that
6 the general penalty provision of this section shall
7 not apply to:
8 (A) Any operator of a motor vehicle owned by another
9 person if the operator's own insurance covers
10 such driving;
11 (B) Any operator of a motor vehicle owned by that
12 person's employer during the normal scope of that
13 person's employment; or
14 (C) Any operator of a borrowed motor vehicle if the
15 operator holds a reasonable belief that the
16 subject vehicle is insured;
17 (6) In the case of multiple convictions for driving
18 without a valid motor vehicle insurance policy within
19 a five-year period from any prior offense, the court,
20 in addition to any other penalty, shall impose the
21 following penalties:



- 1 (A) Imprisonment of no more than thirty days;
- 2 (B) Suspension or revocation of the motor vehicle
- 3 registration plates of the vehicle involved;
- 4 (C) Impoundment, or impoundment and sale, of the
- 5 motor vehicle for the costs of storage and other
- 6 charges incident to seizure of the vehicle, or
- 7 any other cost involved pursuant to section
- 8 431:10C-301; or
- 9 (D) Any combination of those penalties; and
- 10 (7) Any violation as provided in paragraph (2)(B) shall
- 11 not be deemed to be a traffic infraction as defined by
- 12 chapter 291D."

PART II

14 SECTION 3. Section 431:10C-301, Hawaii Revised Statutes,
15 is amended by amending subsection (b) to read as follows:

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

- 17 (1) Liability coverage of not less than [~~\$20,000~~] \$40,000
- 18 per person, with an aggregate limit of [~~\$40,000~~]
- 19 \$80,000 per accident, for all damages arising out of
- 20 accidental harm sustained as a result of any one
- 21 accident and arising out of the ownership,



1 maintenance, use, loading, or unloading of a motor
2 vehicle;

3 (2) Liability coverage of not less than [~~\$10,000~~] \$20,000
4 for all damages arising out of damage to or
5 destruction of property including motor vehicles and
6 including the loss of use thereof, but not including
7 property owned by, being transported by, or in the
8 charge of the insured, as a result of any one accident
9 arising out of the ownership, maintenance, use,
10 loading, or unloading, of the insured vehicle;

11 (3) With respect to any motor vehicle registered or
12 principally garaged in this State, liability coverage
13 provided therein or supplemental thereto, in limits
14 for bodily injury or death set forth in paragraph (1)
15 under provisions filed with and approved by the
16 commissioner, for the protection of persons insured
17 thereunder who are legally entitled to recover damages
18 from owners or operators of uninsured motor vehicles
19 because of bodily injury, sickness, or disease,
20 including death, resulting therefrom; provided that
21 the coverage required under this paragraph shall not



1 be applicable where any named insured in the policy
2 shall reject the coverage in writing; and
3 (4) Coverage for loss resulting from bodily injury or
4 death suffered by any person legally entitled to
5 recover damages from owners or operators of
6 underinsured motor vehicles. An insurer may offer the
7 underinsured motorist coverage required by this
8 paragraph in the same manner as uninsured motorist
9 coverage; provided that the offer of both shall:
10 (A) Be conspicuously displayed so as to be readily
11 noticeable by the insured;
12 (B) Set forth the premium for the coverage adjacent
13 to the offer in a manner that the premium is
14 clearly identifiable with the offer and may be
15 easily subtracted from the total premium to
16 determine the premium payment due in the event
17 the insured elects not to purchase the option;
18 and
19 (C) Provide for written rejection of the coverage by
20 requiring the insured to affix the insured's



1 signature in a location adjacent to or directly
2 below the offer."

3 SECTION 4. Section 431:10C-802, Hawaii Revised Statutes,
4 is amended by amending subsection (a) to read as follows:

5 "(a) A peer-to-peer car-sharing program shall ensure
6 that during each car-sharing period, the shared car is
7 insured under a motor vehicle insurance policy that provides:

8 (1) Primary insurance coverage for each shared car
9 available and used through a peer-to-peer car-
10 sharing program in amounts no less than [~~four times~~]
11 the amounts set forth in section 431:10C-301(b) for
12 death, bodily injury, and property damage per
13 accident, and costs of defense outside the limits;

14 (2) Primary insurance coverage for each shared car
15 available and used through a peer-to-peer car-
16 sharing program for personal injury protection
17 coverage that meets the minimum coverage amounts
18 required by section 431:10C-103.5; and

19 (3) The following optional coverages, which any named
20 insured may elect to reject or purchase, that
21 provides primary coverage for each shared car



1 available and used through a peer-to-peer car-
2 sharing program:

3 (A) Uninsured and underinsured motorist coverages
4 as provided in section 431:10C-301, which shall
5 be equal to the primary liability limits
6 specified in this section; provided that
7 uninsured and underinsured motorist coverage
8 offers shall provide for written rejection of
9 the coverages as provided in section 431:10C-
10 301;

11 (B) Uninsured and underinsured motorist coverage
12 stacking options as provided in section
13 431:10C-301; provided that the offer of the
14 stacking options shall provide for written
15 rejection as provided in section 431:10C-301;

16 (C) An offer of required optional additional
17 insurance coverages as provided in section
18 431:10C-302; and

19 (D) In the event the only named insured under the
20 motor vehicle insurance policy issued pursuant
21 to this section is the peer-to-peer car-sharing



1 program, the insurer or the peer-to-peer car-
2 sharing program shall:
3 (i) Disclose the coverages in writing to the
4 shared car driver;
5 (ii) Disclose to the shared car driver in
6 writing that all optional coverages
7 available may not have been purchased
8 under sections 431:10C-301 and 431:10C-
9 302; and
10 (iii) Obtain a written acknowledgement from the
11 shared car driver of receipt of the
12 written disclosures required in paragraphs
13 (1) and (2). The standard disclosure
14 forms used in paragraphs (1) and (2), and
15 every modification of forms intended to be
16 used, shall be filed with the commissioner
17 within fifteen days of providing the
18 disclosure to the shared car driver. The
19 insurer or the peer-to-peer car-sharing
20 program shall also send to the shared car
21 driver every modified disclosure form



Report Title:

Transportation; Motor Vehicles; Traffic Laws; Penalties;
Insurance Minimums; Insurance Rates; Rate Filings; Insurance
Coverage Requirements

Description:

Increases the penalties for violations of repeated driving without motor vehicle insurance and, beginning 1/1/2026, increases required motor vehicle insurance minimums. Clarifies the required coverage for shared cars that are made available through a peer-to-peer car-sharing program during the car-sharing period. Requires the Insurance Commissioner to solicit rate filings from motor vehicle insurers. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

