

A Bill for an Act Relating to No-Fault Insurance.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to provide that the no-fault policy on a customer's insured vehicle shall be primary over the policy of a licensed auto repair firm or a licensed auto dealer where a temporary vehicle is loaned to a customer either at a fee, or at no cost. This amendment will allow licensees to provide newer, more fuel-efficient, and reliable "loaners" to their customers, reducing consumer cost.

SECTION 2. Section 294-5.2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) If a temporary substitute vehicle is made available to a customer by an auto repair shop registered with the motor vehicle repair industry board or a motor vehicle dealer licensed by the motor vehicle industry licensing board, while the shop or dealer repairs or services the customer's insured motor vehicle, the no-fault policy of the customer's insured motor vehicle shall be primary over the policy on the temporary substitute vehicle."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 17, 1980.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.