

HB 1978, HD 2



LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: (808) 586-2850  
Fax Number: (808) 586-2856  
[www.hawaii.gov/dcca](http://www.hawaii.gov/dcca)

LAWRENCE M. REIFURTH  
DIRECTOR

RONALD BOYER  
DEPUTY DIRECTOR

PRESENTATION OF THE  
OFFICE OF CONSUMER PROTECTION

TO THE SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND  
INTERGOVERNMENTAL AFFAIRS

TWENTY-FIFTH STATE LEGISLATURE  
Regular Session 2010

Monday, March 8, 2010  
1:15 p.m.

**WRITTEN TESTIMONY ONLY ON HOUSE BILL NO. 1978 H.D. 2 -- RELATING TO  
TOWING.**

TO THE HONORABLE J. KALANI ENGLISH, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to provide these comments on House Bill No. 1978, H.D. 2, Relating to Towing. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection ("OCP").

At this time the Department is not opposed to the proposed amendments offered by House Bill No. 1978, H.D. 2 so long as the statutory towing fees are not increased in any manner.

Testimony on H.B. No. 1978 H.D. 2  
March 8, 2010  
Page 2

Thank you for this opportunity to provide these comments on House Bill No.  
1978, H.D. 2.

## **Hawaii State Towing Association**

1040 Makepono Street  
Honolulu, HI 96819  
Phone: (808) 847-7811  
Fax: (808) 842-7605

March 5, 2010

Senator J. Kalani English, Chair  
Senator Mike Gabbard, Vice Chair  
Committee on Transportation, International and Intergovernmental Affairs  
State Capitol, Room 224  
Honolulu, HI 96813

**RE: HB1978 HD2, Relating to Motor Vehicles**

Dear Chair English, Vice Chair Gabbard and Members of the Committee:

Oh behalf of the Hawaii State Towing Association, we endorse this bill as consumers have encountered problems in obtaining the release of vehicles from other towing companies. We also have been asked to transfer the vehicle to an auto body shop for repair work and have been denied. We understand the consumer has also had to wait to pick up his vehicle after it has been towed as no one is at the storage lot to release it. This inconvenience means more storage fees to the consumer.

As to the mandate to require insurance which is stated in the current law but has no minimum amount. We would propose the amount for bodily injury be not less than \$500,000, property damage not less than \$200,000 and on hook coverage of not less than \$175,000 or a combined limit of \$1,000,000. With cost being what they are and the consumer and or his vehicle being at risk this amount of insurance is a small price to pay to cover the potential accident that may occur during a tow.

With these changes to the bill we support its passage. Mahalo for your favorable consideration.  
Respectfully Submitted,

Jan Wakaya  
President



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER  
711 Kapiolani Blvd., Suite 300 ■ Honolulu, HI 96813-5238 ■ Email: [tdayton@geico.com](mailto:tdayton@geico.com)  
Direct: (808) 593-1875 ■ FAX (808) 593-1876 ■ Cell: (808) 341-9252

**Senate Committee on Transportation,  
International & Intergovernmental Affairs  
Conference Room 224 State Capitol  
Monday, March 8, 2010, 1:15 p.m.  
HB 1978 – Relating to Towing**

Chairman English, Vice Chairman Gabbard, & Members of the TIA Committee:

My name is Timothy Dayton, General Manager of GEICO in Hawaii.

GEICO is Hawaii's largest motor vehicle insurer. **GEICO supports House Bill Number 1978 and has one addition** to request. It is neither reasonable nor practical to require cash payments of towing bills (which are often several hundred dollars) from the motor vehicle insurer or its representative (typically another licensed tow company). Specifically, HRS Section 290-11 should clarify that to obtain the vehicle's release **all fees due and payable can be satisfied with either a motor vehicle insurer's check or a business check issued by a licensed tower.**

Attached is proposed language which adds a sentence to this effect to the conclusion of Section 1.

I very much appreciate the opportunity to submit this testimony

Timothy M. Dayton, CPCU

---

---

## A BILL FOR AN ACT

RELATING TO TOWING.

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

SECTION 1. Section 290-11, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) Notwithstanding any law or ordinance to the contrary, including subsection (g), and section 46-20.5, any towing company engaged in towing in a county with a population greater than five hundred thousand [~~shall not be entitled to any overtime charge under subsection (b)(1) if~~] shall offer towing services to consumers [~~are not offered~~] twenty-four hours per day every day of the week [~~; provided that a towing company shall file their hours of operation with the police department in a county with a population greater than five hundred thousand.~~], which shall include the release of vehicles kept in storage to a registered owner, legal owner, insurer, or a designated representative." Payment of all fees due may be satisfied by cash, insurance company check or commercial check issued by a licensed tow company dispatched by the owner or insurer.

SECTION 2. Section 291C-135, Hawaii Revised Statutes, is amended to read as follows:

"§291C-135 **Tow trucks; signage and insurance requirements.** Notwithstanding any other law to the contrary, the registered owner or lessee of a tow truck shall:

(1) Permanently affix on each door of the truck a sign with the name and telephone number of the tow business. The letters and numbers used in the sign shall be no less than two inches in height; and

(2) Maintain insurance [~~coverage sufficient~~] in the following amounts:

(A) Bodily injury of not less than \$500,000;

(B) Property damage of not less than \$200,000;

(C) On-hook coverage of not less than \$175,000; or

(D) A combined single limit of liability of not less than \$1,000,000,

to protect owners of towed vehicles in the event of vehicle loss or damage due to towing. If a tow operator fails to comply with the insurance requirements of this section, no charges, including storage charges, may be collected by the tow operator as a result of the tow or as a condition of the release of the towed vehicle. Any person, including the registered owner, lien holder, or insurer of the vehicle, who has been injured by the tow operator's

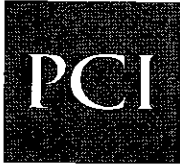
failure to comply with this section is entitled to sue for damages sustained. If a judgment is obtained by the plaintiff, the court shall award the plaintiff a sum of not less than \$1,000 or threefold damages sustained by the plaintiff, whichever sum is greater, and reasonable attorney's fees and costs.

This section shall not apply to a county that has adopted ordinances regulating towing operations."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on December 21, 2058.





**Property Casualty Insurers  
Association of America**

Shaping the Future of American Insurance  
1415 L Street, Suite 670, Sacramento, CA 95814-3972

To: The Honorable J. Kalani English, Chair  
Senate Transportation, International & Intergovernmental Affairs

From: Samuel Sorich, Vice President

Re: **HB 1978 HD2 – Towing**  
**PCI Position: Support**

Date: Monday, March 8, 2010  
1:15 p.m.; Conference Room 224

Aloha Chairman English and Committee Members:

The Property Casualty Insurers Association of American (PCI) supports HB 1978 HD2 which would make some important improvements in the laws relating to tow truck operators. The bill improves access to damaged vehicles by both owners and other parties such as insurance companies. Timely access allows the vehicle to be repaired in a timelier manner and also reduces storage costs. Allowing access by insurance companies and other appropriate third parties allows insurance companies to pick up the car to be repaired without added inconvenience for the consumer.

PCI suggests one more amendment to help the consumer. In many cases it is the practice of the tow company to only accept cash. In some cases the storage bill can be quite significant and the requirement to pay the towing and storage bill present a huge inconvenience and a potential safety issue. PCI suggests that the bill be amended to allow payment by a check written on behalf of an insurer or licensed towing operator. PCI understands the towing truck company's concerns about personal checks but a check from the insurance company or tow truck operator should provide sufficient security to the tow truck operator who is storing the car. PCI suggests the addition of the following to HRS 290-11(f):

*Payment of all fees due may be satisfied by cash,  
insurance company check or commercial check issued  
by a licensed tow company dispatched by the owner or  
insurer.*

PCI supports HB 1978 HD2 and requests consideration of our amendment.