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# A BILL FOR AN ACT

RELATING TO ELECTRONIC VERIFICATION OF INSURANCE MOTOR VEHICLES.

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

1           SECTION 1. The purpose of this Act is to amend Section  
2 431:10C-107, Section 431:10G-106 and Section 286-116, Hawaii  
3 Revised Statutes, to allow for the presentation of electronic  
4 proof of motor vehicle insurance.

5           Forty-three states including California have already passed  
6 similar legislation, reflecting the need for the state of Hawaii  
7 to modernize the outdated paper-based insurance identification  
8 system. Under the proposed changes, motorists will be guaranteed  
9 the right to present proof of current motor vehicle insurance on  
10 an electronic mobile device. This change will reduce the number  
11 of tickets issued to motorists for their inability to produce a  
12 current paper copy of their active insurance policy. As a  
13 result, the number of motorists utilizing the court system for  
14 "fix it tickets" will decline, saving the state and tax payers  
15 money.

16           SECTION 2. Section 431:10C-107, Hawaii Revised Statutes,  
17 is amended to read as follows:



1           "§431:10C-107 Verification of insurance: motor vehicles.

2       (a) Every insurer shall issue to its insureds a motor vehicle  
3 insurance identification card or electronic evidence of  
4 insurance coverage, or both, for each motor vehicle for which  
5 the basic motor vehicle insurance coverage is written. The  
6 identification [~~card~~] issued shall contain the following:

- 7           (1) Name of make and factory or serial number of the motor  
8 vehicle; provided that insurers of five or more motor  
9 vehicles which are under common registered ownership  
10 and used in the regular course of business shall not  
11 be required to indicate the name of make and the  
12 factory or serial number of each motor vehicle;
- 13           (2) Policy number;
- 14           (3) Names of the insured and the insurer; and
- 15           (4) Effective dates of coverage including the expiration  
16 date.

17       (b) The identification issued [~~card~~] shall be maintained  
18 in the insured motor vehicle at all times and shall be exhibited  
19 to a law enforcement officer upon demand.

20       (c) The identification issued [~~card~~] shall be resistant to  
21 forgery by whatever means deemed appropriate by the



1 commissioner. [~~The commissioner shall approve the construction,~~  
2 ~~form, and design of the identification card to ensure that the~~  
3 ~~card is forgery-resistant.~~]

4 (d) The commissioner shall issue a certificate of self-  
5 insurance periodically, as necessary, for use in each motor  
6 vehicle insured under section 431:10C-105.

7 (e) The identification [~~card~~] issued by an insurer shall  
8 not be issued for a period exceeding the period for which  
9 premiums have been paid or earned; provided that this subsection  
10 shall apply only to the first application of a person for a  
11 motor vehicle insurance policy and shall not apply to  
12 applications for commercial and fleet vehicles."

13 SECTION 3. Section 431:10G-106 is amended to read as  
14 follows:

15 "**§431:10G-106 Verification of insurance.** Every insurer  
16 shall issue to each of its insureds a proof of insurance card or  
17 electronic evidence of insurance coverage, or both for each  
18 motorcycle or motor scooter for which a liability policy under  
19 this article is written. The proof of insurance card or  
20 electronic evidence of insurance coverage issued shall show the  
21 following:



- 1 (1) Name, make, year, and factory or serial number of the
- 2 motorcycle or motor scooter; provided that insurers of
- 3 five or more motorcycles or motor scooters that are
- 4 under common registered ownership and used in the
- 5 regular course of business shall not be required to
- 6 indicate the name, make, year, and the factory or
- 7 serial number of each motorcycle or motor scooter;
- 8 (2) Policy number;
- 9 (3) Names of the insured and the insurer; and
- 10 (4) Effective dates of coverage including the expiration
- 11 date.

12 The proof of insurance card or electronic evidence of insurance  
13 coverage, or both shall be carried on the person operating the  
14 insured motorcycle or motor scooter at all times and shall be  
15 exhibited to a law enforcement officer upon demand."

16 SECTION 4. Section 286-116, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[§286-116] License, proof of insurance, [~~insurance~~  
19 ~~identification card~~], possession, exhibition. (a) Every  
20 licensee shall have a valid driver's license in the licensee's  
21 immediate possession at all times, and paper-based or electronic



1 proof of [a] valid motor vehicle or liability insurance  
2 [~~identification card~~] applicable to the motor vehicle operated  
3 as required under section 431:10C-107 [~~and section 431:10G-106,~~]  
4 when operating a motor vehicle, and section 431:10G-106 when  
5 operating a motorcycle, or motor scooter, and shall display the  
6 same upon demand of a police officer. Every police officer or  
7 law enforcement officer when stopping a vehicle or inspecting a  
8 vehicle for any reason shall demand that the driver or owner  
9 display the driver's or owner's driver's license and paper-based  
10 or electronic proof of insurance. [~~identification card.~~] No  
11 person charged with violating this section shall be convicted if  
12 the person produces in court, or proves from the proper official  
13 or other records that the person was the holder of a driver's  
14 license or [a] paper-based or electronic proof of motor vehicle  
15 or liability insurance [~~identification card~~] and policy  
16 conforming to article 10C and article 10G of chapter 431 or a  
17 certificate of self-insurance issued by the insurance  
18 commissioner pursuant to section 431:10C-107 and section  
19 431:10G-103, theretofore issued to the person and valid at the  
20 time of the person's arrest.



1 (b) At any time a law enforcement officer finds a motor  
2 vehicle in operation by a driver not in possession of paper-  
3 based or electronic proof of [the] motor vehicle or liability  
4 insurance [~~identification card~~] as required under  
5 section 431:10C-107 and section 431:10G-106, the officer shall  
6 issue a citation with the earliest possible date for court  
7 appearance in every instance.

8 (c) In all instances in which a citation shall be issued  
9 under subsection (b), whenever the driver cited is not found to  
10 be the registered owner of the motor vehicle under operation,  
11 the citation shall also be issued to the driver as the owner's  
12 agent and to the registered owner of the motor vehicle.  
13 Whenever the registered owner of any motor vehicle permits any  
14 person to operate the registered owner's motor vehicle, the  
15 registered owner appoints, designates, and constitutes the  
16 driver the registered owner's agent for all purposes under this  
17 section and section 431:10C-107, section 431:10G-106, and  
18 section 805-13.

19 (d) The operation of any motor vehicle required to be  
20 licensed on a highway by a driver, whether or not licensed, who  
21 knows, or has reason to believe, that the motor vehicle is not



1 insured in compliance with article 10C and article 10G of  
2 chapter 431, shall constitute a violation of this chapter.

3 (e) Any registered owner of any motor vehicle required to  
4 be licensed, who directly or indirectly permits the operation of  
5 such motor vehicle on any highway at any time the motor vehicle  
6 is not insured in compliance with article 10C and article 10G of  
7 chapter 431, shall be guilty of a violation of this chapter.  
8 The registered owner shall, in all cases, be presumed to know  
9 whether a motor vehicle is insured in compliance with article  
10 10C and article 10G of chapter 431."

11 SECTION 5. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect upon its approval.  
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# S.B. NO. 2696

**Report Title:**

Electronic Proof of Motor Vehicle Insurance

**Description:**

Guarantees motorists the right to display evidence of current motor vehicle insurance by electronic mobile device.

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