



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 23, 2019

**GOV. MSG. NO. 1120**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on April 23, 2019, the following bill was signed into law:

HB764

RELATING TO MOTOR VEHICLE INSURANCE.  
**ACT 019 (19)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

---

---

# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE INSURANCE.

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

1           SECTION 1. The legislature finds that existing language in  
2 the State's motor vehicle insurance code requires insurers to  
3 maintain a "brick and mortar" sales and claims service office.  
4 When originally written, the code did not envision the Internet,  
5 cellular smart phones, or computerization. Today, many of the  
6 functions once done in a physical office are being accomplished  
7 through mobile smart phone or internet technology. Insureds can  
8 now go on their mobile device and purchase motor vehicle  
9 insurance or file a claim. Consequently, in 2016, the  
10 legislature passed legislation allowing electronic insurance  
11 cards, in addition to paper insurance cards, to be used as proof  
12 of insurance for motor vehicles, motorcycles, and motor  
13 scooters. Act 216, Session Laws of Hawaii 2018, allows licensed  
14 producers of motor vehicle insurers to satisfy the requirement  
15 that insurers provide a complete sales and claims office in the  
16 State by instead allowing an insurer's licensed producer to



# H.B. NO. 764

1 establish and maintain a sales and claims office in every county  
2 in which the insurer does business.

3       The legislature also finds that the county of Kalawao is  
4 the smallest county in the United States, both by population and  
5 land area. Considering its size, requirement of a "brick and  
6 mortar" motor vehicle insurance office for each insurer who does  
7 business in the county of Kalawao is unnecessary.

8       Accordingly, the purpose of this Act is to remove the  
9 requirement that an insurer must maintain a "brick and mortar"  
10 sales and claims service office in the county of Kalawao.

11       SECTION 2. Section 431:10C-119, Hawaii Revised Statutes,  
12 is amended by amending subsection (a) to read as follows:

13       "(a) Prior to licensing an insurer to transact a motor  
14 vehicle insurance business in this State, the commissioner:

- 15       (1) Shall effect a thorough examination of the insurer's  
16 business experience, financial soundness, and general  
17 reputation as an insurer in this and other states. In  
18 the discretion of the commissioner, this examination  
19 may include an examination of any or all of the  
20 business records of the insurer, and an audit of all  
21 or any part of the insurer's motor vehicle insurance



1 business, each to be performed by the commissioner's  
2 staff or by independent consultants. No license shall  
3 be issued until the commissioner is satisfied as to  
4 the business experience, financial solvency, and the  
5 economic soundness of the insurer;

6 (2) Except for a member-owned reciprocal insurer and its  
7 wholly owned insurer subsidiaries, as specified in  
8 subsection (c), shall require of each insurer, and  
9 determine that satisfactory arrangements have been  
10 made for, the provision of a complete sales and claims  
11 service office in the State; provided that the  
12 establishment and maintenance of an office by licensed  
13 producers of an insurer in every county the insurer  
14 does business shall meet the requirements of this  
15 paragraph; provided further that the preceding shall  
16 not be required for the county of Kalawao; and

17 (3) Notwithstanding any other requirements of this section  
18 or of the insurance code, may require a bond in a  
19 reasonable amount and with deposits or sureties  
20 determined in the commissioner's discretion of any  
21 applicant for a license hereunder. The commissioner



# H.B. NO. 764

1            may, at any time, make and enforce such a requirement  
2            of any licensed insurer or self-insurer."

3            SECTION 3. New statutory material is underscored.

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

5

INTRODUCED BY:

*T. Sob*  
*L. K. Schinger*

JAN 22 2019

APPROVED this 23 day of APR, 2019

*David Ige*

GOVERNOR OF THE STATE OF HAWAII



HB No. 764

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: February 28, 2019  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: APR 04 2019  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the Senate of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Ronald D. Kouchi  
President of the Senate



Carol T. Taniguchi  
Clerk of the Senate