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# A BILL FOR AN ACT

RELATING TO REBUILT VEHICLES.

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

1           SECTION 1. The legislature finds that existing laws  
2     inhibit insurers' ability to push a "rebuilt" or "salvage" title  
3     when a total loss is retained by the insured for a flooded  
4     vehicle. Modern cars have a significant amount of electronic  
5     devices installed throughout the vehicle and are highly  
6     vulnerable to sustaining damage during a flood, particularly if  
7     salt water is involved. Such vehicles should have a branded  
8     title to warn potential subsequent purchasers that the vehicle  
9     has been declared a total loss and might have hidden defects  
10    that could affect its safe operation.

11           Accordingly, the purpose of this Act is to expand the  
12    definition of "rebuilt vehicle" to include motor vehicles that  
13    have been rebuilt after flood damage and material damage to the  
14    vehicle's electronics and define "flood damage".

15           SECTION 2. Section 286-2, Hawaii Revised Statutes, is  
16    amended as follows:



1           1. By adding a new definition to be appropriately inserted  
2 and to read:

3           "Flood damage" means damage caused to any electrical,  
4 computerized, or mechanical component, or interior of a vehicle  
5 that has been submerged in water to the point that water has  
6 entered the passenger compartment or engine."

7           2. By amending the definition of "rebuilt vehicle" to  
8 read:

9           "Rebuilt vehicle" means any vehicle which has been  
10 declared a total loss by an insurer and has been rebuilt or  
11 repaired to operate on public highways. For the purpose of this  
12 definition, a vehicle is a total loss only if there is material  
13 damage, including flood damage, to the vehicle's electronics,  
14 frame, unitized structure, or suspension system, and the  
15 projected cost of repairing the damage exceeds the market value  
16 of the vehicle at the time of the incident causing it to be  
17 declared a total loss."

18           SECTION 3. New statutory material is underscored.

19           SECTION 4. This Act shall take effect on July 1, 2019.



**Report Title:**

Rebuilt Vehicle; Flood Damage; Electronics

**Description:**

Defines "flood damage" as it relates to a rebuilt vehicle.  
Expands the definition of "rebuilt vehicle" to include vehicles that have been rebuilt after sustaining flood damage or material damage to the vehicle's electronics. (SD2)

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

