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## RESOLUTION

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REQUESTING THE HAWAII STATE LEGISLATURE ADOPT A BILL REQUIRING PROOF OF MOTOR VEHICLE INSURANCE TO PURCHASE FUEL.

WHEREAS, pursuant to HRS section 431:10C-104, no person shall operate or use a motor vehicle unless the vehicle is insured under a motor vehicle insurance policy; and

WHEREAS, *The Honolulu Advertiser* reported in a January 23, 2009 article that a new study by the Insurance Research Council states that about one in eight or approximately twelve per cent of Hawaii drivers were uninsured in 2007 and projects the number of motorists without insurance will increase as unemployment rises; and

WHEREAS, the State Insurance Commissioner responded to the study saying the twelve per cent estimate is actually a little low for Hawaii, and some believe that the actual number is closer to one in five; and

WHEREAS, according to the insurance commissioner in a January 2, 2011 *Hawaii Tribune Herald* article, seventeen per cent of the drivers on Hawaii's road are uninsured; and

WHEREAS, using the latest numbers available from the 2010 State Data Book, there are 720,267 registered passenger vehicles on Honolulu's roads and 618,975 licensed drivers; and

WHEREAS, assuming seventeen per cent of passenger vehicles are uninsured, this amounts to 122,445 uninsured vehicles that should not be on the roads, which are adding to Oahu's traffic; and

WHEREAS, uninsured motorists increase insurance costs for properly insured motorists; and

WHEREAS, it is the council's understanding that, currently, violations of the motor vehicle insurance requirement are only discovered if a motor vehicle is stopped for an offense and the driver is unable to provide the police officer with the required proof of insurance; and

WHEREAS, one suggested approach to removing uninsured vehicles from the road is to deny them access to purchase fuel at service stations, by issuing plastic magnetic strip motor vehicle insurance cards to be placed into the credit card slot to confirm that a motor vehicle is insured before fuel can be purchased; and



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WHEREAS, a motor vehicle insurance card that is electronically readable has other benefits, such as:

- (1) Reducing the number of uninsured motor vehicles;
- (2) Reducing insurance costs by reducing the premium of uninsured motorists coverage; and
- (3) Coordinating insurance requirements with other requirements such as driver licenses and safety checks;

and

WHEREAS, since HRS Chapter 431, Article 10C sets forth a comprehensive scheme for the regulation of motor vehicle insurance in the State of Hawaii, the Council is preempted from enacting legislation in this area; therefore, only the Hawaii State Legislature can adopt legislation requiring proof of motor vehicle insurance to purchase fuel; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the Hawaii State Legislature to adopt a bill requiring proof of motor vehicle insurance to purchase fuel; and



RESOLUTION

BE IT FINALLY RESOLVED that this Resolution be transmitted to the President of Hawaii State Senate, the Speaker of the Hawaii State House of Representatives, the Director of Commerce and Consumer Affairs, and the Governor.

INTRODUCED BY:

Tom Breen

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DATE OF INTRODUCTION:

OCT 24 2011

Honolulu, Hawaii

Councilmembers