

Hawaii State Legislature  
House Committee on Finance  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

April 1, 2015

*Filed via electronic testimony submission system*

**RE: SB 1280 SD2, HD2, TNC – NAMIC’s Written Testimony for Committee Hearing**

Dear Representative Luke, Chair; Representative Nishimoto, Vice Chair; and members of the House Committee on Finance:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the April 2, 2015, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country’s largest national insurers.

The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. NAMIC has 69 members who write property/casualty and workers’ compensation insurance in the State of Hawaii, which represents 30% of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

NAMIC’s members appreciate the importance of business innovation and we support the development and growth of transportation network companies (TNCs) and other “sharing-economy” business endeavors.

NAMIC believes that TNCs, like all other business operations, need to take full responsibility for the legal liability exposure and public safety risks posed by their business activities. Since the TNCs are engaged in a new form of commercial transportation, it is reasonable and appropriate for them to be required by state law to be responsible for all the commercial transportation

liability issues created by their business activities. Specifically, NAMIC believes that TNCs should be required to provide insurance coverage protection for TNC drivers, passengers, and the general public in a way that does not create financial burdens for private passenger auto insurance consumers.

NAMIC appreciates the fact that HCR 46, HD1 has passed out of the House Committee on Consumer Protection and Commerce and has been referred to this committee for consideration. NAMIC does not have a position on whether a study is necessary to address pending TNC regulatory issues, but NAMIC is opposed to replacing this necessary and appropriate pro-consumer protection legislation that clearly addresses the TNC insurance coverage requirements with a mere a study of insurance coverage, which would only delay providing citizens of the state with appropriate protection, and TNC drivers and passengers with necessary auto insurance coverage. The practical impact of passing HCR 46, HD 1 in place of SB 1280, SD2, HD2, would be to allow TNCs to continue to operate without adequate consumer protections. SB 1280, SD2, HD2 need not be sacrificed in order to pass a resolution authorizing a study of the TNC regulatory framework, or even a study of insurance coverage issues. In Colorado, the State Legislature passed a law (SB 125) in 2014 to address TNC insurance coverage requires and also at the same time approved a Division of Insurance study of the insurance coverage issue during the interim session.

Consequently, NAMIC **supports** the proposed legislation and respectfully requests that this committee take *affirmative action* to protect consumers by passing SB 1280, SD2, HD2, as opposed to just authorizing an interim study that “kicks important consumer protection down the road” for another year.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC’s written testimony.

Respectfully,



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