



THIRTIETH LEGISLATURE
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**Annual Study of the Impact of
Act 236, Session Laws of Hawaii 2016**

INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

Submitted December 2018

Foreword

Act 236, Session Laws of Hawaii (SLH) 2016, requires the Insurance Commissioner to submit to the Legislature an annual report regarding the impact of the measure on personal motor vehicle insurance policy rates in the State from enactment through 2020.

GORDON I. ITO
Insurance Commissioner

Annual Study of the Impact of Act 236, Session Laws of Hawaii 2016

This report is filed pursuant to Act 236, SLH 2016, which requires the Insurance Commissioner to submit to the Legislature an annual study regarding the impact of the measure on personal motor vehicle insurance policy rates in the State from enactment through 2020.

To develop a baseline for this study, the Insurance Division surveyed insurers writing personal auto insurance in Hawaii. Forty-eight insurers were surveyed, and all insurers submitted responses.

On September 26, 2018, the insurers were sent the following questions:

1. Does your company exclude coverage for drivers engaged in Transportation Network Company (TNC) activity, such as Uber and Lyft? Please explain.
2. Does your company offer coverage for drivers engaged in TNC activity, such as Uber and Lyft?
 - a. If yes, is the coverage included in the policy or offered as an endorsement to the personal auto policy? Please explain.
 - b. If yes, for each coverage (comprehensive, collision, bodily injury, property damage, etc.), what is the split between TNC coverage and non-TNC coverage for the following:
 - 2017 premium
 - 2017 claims counts
 - 2017 aggregate claims amounts (both amount paid and amount reserved)
3. Provide the data for question 2.b. on a calendar-year basis for premiums and on a calendar-year and an accident-year basis for claims counts and claims amounts. If you are reporting for multiple companies, provide the data for each individual company.

In response to question 1, all the insurers surveyed exclude coverage for TNC activity. However, two insurers surveyed offer an option to purchase coverage for TNC activity through a policy endorsement. These endorsements are still relatively new, and while the two insurers reported TNC premium data, only one reported TNC claims. The premiums and claims attributable to TNC coverage relative to non-TNC coverage is less than 2/10 of 1% (0.2%) and 5/100 of 1% (0.05%), respectively.

For insurers that responded in the negative to questions 1 and 2, question 3 was not applicable to them; therefore, no response was provided.

Recommendation

Currently, the Insurance Division is unable to make any recommendations to the Legislature due to insufficient information. At this time, not enough insurers are offering coverage to drivers engaged in TNC activity, and not enough time has passed to collect data for comprehensive analysis and recommendations.