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MEMORANDUM 2006-03A

To: All Motor Vehicle Insurance Insurers Authorized in the State of Hawaii

From: J. P. Schmidt
Insurance Commissioner

Re: Graduates of Driver Safety Programs and Premium Discounts

Hawaii Revised Statutes (HRS) §431:10C-207, Discriminatory Practices Prohibited, mandates that “No insurer shall base any standard or rating plan, in whole or in part, directly or indirectly, upon a person's race, creed, ethnic extraction, age, sex, length of driving experience, credit bureau rating, marital status, or physical handicap.”

Graduates of driver safety programs may be considered for the awarding of insurance premium discounts by insurers if the afforded discounts are not in violation of HRS §431:10C-207. Insurers should encourage their insureds to take advantage of proactive courses which give insureds more defensive driving tools and enhance their driving skills.

As an example, the Association for the Advancement of Retired People (“AARP”) previously had a driver safety program that was limited to individuals aged 55 and older. If an insurer gave discounts to policyholders who took the AARP course, the insurer would be in violation of HRS §431:10C-207 since drivers under 55 could not take the course. Currently, AARP’s Driver Safety program has been modified so that, now, anyone can take the program, regardless of age. Therefore, a discount in insurance premium for a policyholder who has completed AARP’s Driver Safety Program would not now be in violation of HRS §431:10C-207.

Insurers opting to initiate such discounts may request an expedited review and waiver of the waiting period for the rate and rule filings pursuant to HRS §§ 431:10C-202(2) and 431:14-104(j). Insurers may also contact the Rate and Policy Branch at (808) 586-2809 if there are any questions.