
HOUSE CONCURRENT RESOLUTION

REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A WORKING GROUP TO ASSESS THE FEASIBILITY AND IMPACT OF REQUIRING COVERAGE FOR COMMERCIAL PROPERTIES AND STRUCTURES, INCLUDING GREENHOUSES AND SHADE HOUSES, UNDER THE HAWAII PROPERTY INSURANCE ASSOCIATION'S PLAN OF OPERATION.

1 WHEREAS, insurance markets around the world have been
2 roiled by several factors which have resulted in rapidly rising
3 premiums and even withdrawal of coverage, including supply chain
4 disruptions, inflation, and multiple natural disasters
5 negatively impacting the global reinsurance market; and

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7 WHEREAS, real property insurance and hurricane insurance in
8 particular have seen significant increases in recent times, with
9 the Maui wildfire disaster causing insurers to reassess the
10 risks of providing coverage within the State; and

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12 WHEREAS, these disruptions in the insurance market have
13 severely impacted residents and businesses throughout the State,
14 including on the Island of Hawaii, which already suffers from
15 higher premiums due to the threat of natural disasters in Lava
16 Zones 1 and 2; and

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18 WHEREAS, the floriculture industry on the Big Island is
19 under particular duress, with businesses facing extreme
20 difficulty in insuring important structures like greenhouses and
21 shade houses; many small nurseries face the prospect of losing
22 their insurance coverage altogether; and

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24 WHEREAS, the Hawaii Property Insurance Association was
25 statutorily established by the Legislature in 1991 to provide
26 basic property insurance for persons unable to purchase
27 homeowners coverage in the private market due to the ongoing



1 volcanic eruption in Lava Zones 1 and 2 on the Island of Hawaii;
2 and

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4 WHEREAS, the Hawaii Property Insurance Association operates
5 under the regulatory oversight of the insurance commissioner and
6 is guided by a plan of operation that is approved by the
7 insurance commissioner; and

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9 WHEREAS, the Hawaii Property Insurance Association, as an
10 insurer of last resort, may offer a lifeline to these local
11 floriculture businesses, which is an industry that contributes
12 \$47 million in value to Hawaii's economy; now, therefore,

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14 BE IT RESOLVED by the House of Representatives of the
15 Thirty-second Legislature of the State of Hawaii, Regular
16 Session of 2024, the Senate concurring, that the insurance
17 commissioner is requested to convene a working group to assess
18 the feasibility and impact of requiring insurance coverage for
19 commercial property and structures, including greenhouses and
20 shade houses, under the Hawaii Property Insurance Association's
21 plan of operation; and

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23 BE IT FURTHER RESOLVED that the insurance commissioner
24 invite the following stakeholders to participate in the working
25 group:

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27 (1) A member of the board of directors of the Hawaii
28 Property Insurance Association;
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30 (2) A representative from the Hawaii Floriculture and
31 Nursery Association;
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33 (3) Four representatives from floriculture businesses
34 operating in the State; and
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36 (4) A representative of an insurer offering commercial
37 property insurance in the State; and
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39 BE IT FURTHER RESOLVED that the working group is requested
40 to submit a final report to the Legislature, including
41 recommendations and any proposed legislation, no later than



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1 twenty days prior to the convening of the Regular Session of
2 2025; and

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4 BE IT FURTHER RESOLVED that certified copies of this
5 Concurrent Resolution be transmitted to the insurance
6 commissioner who is requested in turn to transmit copies to
7 stakeholders invited to the working group.

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OFFERED BY:


MAR 08 2024

