

STAND. COM. REP. NO.

783

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 490
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 490 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to require the Insurance
Commissioner to:

- (1) Develop comprehensive standards and requirements for condominium associations, developers, and groups of condominium associations and developers, to obtain property insurance through self-insurance and mutual insurance;
- (2) Examine and evaluate the feasibility of implementing guaranteed buyback programs and investment-based protection funds for condominiums; and
- (3) Submit findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026.



Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the availability of condominium building master insurance policy and unit owner insurance policy options within the condominium insurance marketplace was shrinking, even before the August 2023 Maui wildfire event. For condominium building master insurance policies, insurers have increased deductible amounts from what used to be between \$10,000 to \$25,000 per unit, per occurrence, to as much as \$250,000. Furthermore, insurance premiums for hurricane insurance policies have recently risen so high that three hundred seventy-five to three hundred ninety buildings have opted to renew their hurricane insurance policies with less than one hundred percent hurricane coverage. This measure is intended to have the Insurance Commissioner evaluate available alternatives to address this crisis.

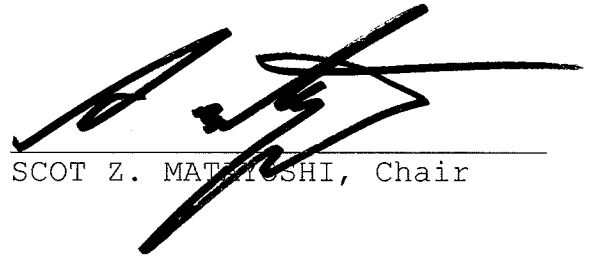
Your Committee has amended this measure by:

- (1) Deleting language that required the Insurance Commissioner to:
 - (A) Develop comprehensive standards and requirements for condominium associations and developers to obtain property insurance; and
 - (B) Examine and evaluate the feasibility of implementing guaranteed buyback programs and investment-based protection funds for condominiums;
- (2) Specifying that the Insurance Commissioner is required to study the feasibility of the mutual insurance model for condominium associations, including condominium associations in the State joining mutual insurance companies that are located in another state of the United States;
- (3) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 490, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATSUSHITA, Chair



State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 783

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 490	Committee Referral: CPC, FIN	Date: 2/12/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)				/
2. CHUN, Cory M. (VC)	/			
3. ILAGAN, Greggor	/			
4. ICHIYAMA, Linda	/			
5. IWAMOTO, Kim Coco	/			
6. KONG, Sam Satoru	/			
7. LOWEN, Nicole E.				/
8. MARTEN, Lisa	/			
9. TAM, Adrian K.				/
10. PIERICK, Elijah	/			
TOTAL (10)	7			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Lisa Marten</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				