STAND. COM. REP. NO.

Honolulu, Hawaii

FEB 1 0 2025

S.B. No. 1129 RE: S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1129 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Insurance Commissioner to convene a working group to identify, assess, and recommend certain risk transfer market mechanisms.

Your Committee received testimony in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds the insurance landscape has been challenging for homeowners in the State, with issues ranging from high premiums to inadequate coverage for natural disasters. issues are exacerbated by the lack of transparent, fair, and effective risk transfer mechanisms, which leaves many homeowners feeling they are financially unprotected in the event of significant property damage. Your Committee finds that this measure seeks to address these issues by comprehensively studying the complexities of more equitable risk distribution models to enhance insurance affordability in the State.

Your Committee acknowledges the testimony of the Department of Commerce and Consumer Affairs, which recommended that the working group have a clear timeline to prepare a report, appropriate funds to facilitate the study, and require the group to submit its findings and recommendations, including any proposed legislation, in a separate report rather than as part of the Insurance Commissioner's annual report required pursuant to existing law.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required the working group's findings and recommendations to be included in the Insurance Commissioner's annual report pursuant to section 431:2-211, Hawaii Revised Statutes, and inserting language to require that the Insurance Commissioner submit a separate annual report of the working group's findings and recommendations to the Legislature no later than twenty days prior to the convening of each regular session, beginning with the regular session of 2026;
- (2) Inserting language to appropriate an unspecified amount of general funds for the working group to facilitate the study;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, and be referred to your Committee on Ways and Means.

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

RRETT KEOHOKALOLE, Chair

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:* SB1129	CPN,	Referral: WAM	Da	te: 1/31/2	5
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)		/			
FUKUNAGA, Carol (VC)		V			
MCKELVEY, Angus L.K.					,
RICHARDS, III, Herbert M. "Tim"				·	V
AWA, Brenton					V
TOTAL		3	Ø	Ø	2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Envel Juhan up					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes