

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1563

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. 1563 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish rate transparency requirements for insurance companies operating in the State;
- (2) Establish an Office of Insurance Consumer Affairs within the Insurance Division of the Department of Commerce and Consumer Affairs to provide oversight, information, and consumer advocacy; and
- (3) Appropriate funds.

Your Committee received testimony in support of this measure from AARP Hawai'i.

Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council and the National Association of Mutual Insurance Companies.

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



Your Committee finds that the availability of affordable property insurance has been shrinking, and various types of property owners have seen their premiums increase exponentially, with rising deductibles creating significant financial burdens. This measure would help increase transparency, accountability, and consumer protection by establishing an office within the Insurance Division of the Department of Commerce and Consumer Affairs that prioritizes and focuses on consumer advocacy to increase responsiveness.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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. 1563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1563, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALO, Chair



