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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection & Commerce
Thursday, January 30, 2025
2:00 p.m.
State Capitol, Conference Room 329 and via Videoconference

On the following measure:
H.B. 490, RELATING TO INSURANCE

Chair Matayoshi and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to require the Insurance Commissioner to develop comprehensive standards and requirements for condominium associations and developers to obtain property insurance through self-insurance and mutual insurance, and examine and evaluate the feasibility of implementing guaranteed buyback programs and investment-based protection funds.

While we appreciate the intent of the bill, the Department notes that the Insurance Division does not possess the expertise necessary to develop standards for the financial and maintenance requirements requested in Section 2, subsection (a)(1). The Insurance Division would need to hire consultants and request that funding be appropriated to facilitate this project.

We also respectfully notate that House Bill 426 has tasked the Insurance Commissioner with conducting a study aimed at identifying and developing a long-term solution to stabilize the property insurance market in the State. We support this initiative and believe it could serve as a comparable, apposite study.

Furthermore, Fannie Mae and Freddie Mac require a master policy to cover one hundred percent of the replacement value of the building. If self-insurance does not provide this coverage, Fannie Mae and Freddie Mac may refuse to accept the self-insurance of the building.

Thank you for the opportunity to testify.

HB-490

Submitted on: 1/28/2025 4:10:38 PM

Testimony for CPC on 1/30/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sam Dorios	Individual	Support	In Person

Comments:

My name is Sam Dorios, and I am submitting testimony in strong support of SB490 which seeks to address the skyrocketing home and rental prices that continue to displace local families in Hawai‘i.

The increasing cost of housing has forced many local working families to leave Hawai‘i in search of more affordable living options, eroding the social and economic fabric of our communities. This bill takes a proactive approach by establishing a dedicated housing stock for local working families through voluntary and perpetual deed restrictions. By empowering counties to purchase these deed restrictions, we can ensure that homes remain occupied by residents who work and contribute to our local economy. This measure will help prevent homes from being lost to non-resident buyers or short-term vacation rentals that drive up prices and reduce housing availability.

This program is an investment in our future. By keeping local families in Hawai‘i, we strengthen our communities, curb out-migration, and build a more sustainable economy. Housing stability for working families means stronger schools, healthier businesses, and a workforce that can continue to serve our islands.

I respectfully urge you to pass SB490 to protect our local families and ensure that Hawai‘i remains home to those who cherish and sustain it.

Mahalo for your time and consideration!

-Sam

HB-490

Submitted on: 1/29/2025 1:59:33 PM

Testimony for CPC on 1/30/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Support	Remotely Via Zoom

Comments:

I support HB490.

Gregory Misakian