

JAN 23 2025

A BILL FOR AN ACT

RELATING TO THE INSURANCE AFFORDABILITY ASSISTANCE PILOT
PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the rising cost of
2 property insurance has placed a significant financial burden on
3 homeowners in Hawaii, particularly those with limited incomes or
4 those recovering from recent natural disasters. In light of
5 these challenges, it is in the public interest to establish a
6 temporary program to provide direct financial assistance to
7 homeowners with demonstrated financial hardship who are facing
8 unexpected increases in insurance premiums.

9 The purpose of this Act is to establish a temporary pilot
10 program to assist eligible homeowners with unexpected increases
11 in property insurance premiums by providing financial relief
12 through a state-administered fund.

13 SECTION 2. (a) There is established within the insurance
14 division of the department of commerce and consumer affairs a
15 three-year insurance affordability assistance pilot program.



1 (b) The pilot program shall provide direct financial
2 assistance to eligible homeowners to offset unexpected increases
3 in property insurance premiums.

4 (c) The insurance division of the department of commerce
5 and consumer affairs shall:

6 (1) Establish rules pursuant to chapter 91, Hawaii Revised
7 Statutes, regarding the procedures and requirements for
8 the pilot program;

9 (2) Work with community organizations, local banks, and
10 credit unions to raise awareness about the pilot
11 program and facilitate access for underserved
12 communities; and

13 (3) Submit a report of its findings and recommendations,
14 including any proposed legislation, to the legislature
15 no later than twenty days prior to the convening of
16 the regular session of 2027 and a final report to the
17 legislature no later than twenty days prior to the
18 convening of the regular session of 2028. The reports
19 shall include:

20 (A) The number of pilot program applicants and
21 recipients;



1 (B) The total funds disbursed; and

2 (C) Recommendations for extending or modifying the
3 program.

4 (d) For the purposes of this section:

5 "Eligible homeowner" means a homeowner who can demonstrate:

6 (1) An increase of at least twenty-five per cent in
7 property insurance premiums compared to the
8 immediately preceding policy period; and

9 (2) Financial hardship as determined through rules adopted
10 by the department of commerce and consumer affairs
11 pursuant to chapter 91, Hawaii Revised Statutes;
12 provided that the financial hardship criteria shall
13 include, at minimum:

14 (A) Household income at or below eighty per cent of
15 the area median income as determined by the
16 United States Department of Housing and Urban
17 Development;

18 (B) Recent unemployment or loss of significant
19 income;

20 (C) High debt-to-income ratio or other extraordinary
21 circumstances; and



1 (D) Fixed income status, including seniors or others
2 relying on pension income, social security
3 benefits, or similar income sources.

4 "Financial assistance" means a one-time assistance grant of
5 up to \$5,000 per household or a maximum of fifty per cent of the
6 insurance premium increase, whichever is less.

7 (e) The pilot program shall cease to exist on June 30,
8 2028.

9 SECTION 3. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$1,000,000 or so much
11 thereof as may be necessary for fiscal year 2025-2026 and the
12 same sum or so much thereof as may be necessary for fiscal year
13 2026-2027 to be deposited into the compliance resolution fund.

14 SECTION 4. There is appropriated out of the compliance
15 resolution fund the sum of \$1,000,000 or so much thereof as may
16 be necessary for fiscal year 2025-2026 and the same sum or so
17 much thereof as may be necessary for fiscal year 2026-2027 for
18 the purposes of the insurance affordability assistance pilot
19 program.

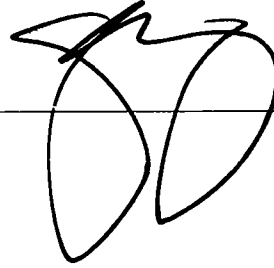
20 The sums appropriated shall be expended by the department
21 of commerce and consumer affairs for the purposes of this Act.



1 SECTION 5. This Act shall take effect on July 1, 2025, and
2 shall be repealed on June 30, 2028.

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INTRODUCED BY: _____

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S.B. NO. 1590

Report Title:

DCCA; Insurance Affordability Assistance Pilot Program;
Compliance Resolution Fund; Appropriation

Description:

Establishes the Insurance Affordability Assistance Pilot Program within the Insurance Division of the Department of Commerce and Consumer Affairs to assist eligible homeowners with sudden increases in property insurance premiums. Sunsets 6/30/2028.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

