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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding four new sections to article 10E to be  
3 appropriately designated and to read as follows:

4           "§431:10E-    Property insurance; notice of premium  
5 increase; policy renewal; notice requirements. (a) Beginning  
6 January 1,           , this section shall apply to any insurer  
7 offering property insurance in the State.

8           (b) If an insurer cancels or refuses to renew a  
9 policyholder's insurance policy, or if, upon renewal, a  
10 policyholder's premium will increase by ten per cent or more,  
11 the insurer shall automatically provide a written notice to the  
12 policyholder disclosing the causes of any policy cancellation,  
13 non-renewal, or premium increase; provided that the notice  
14 required under this subsection shall be provided to the  
15 policyholder no less than           calendar days before the  
16 effective date of the renewed policy. The notice shall include  
17 reasonable explanations and the primary factors contributing to



1 any premium increase, non-renewal, or cancellation, which shall  
2 include the following categories:

- 3       (1) Specific risk factors;  
4       (2) Claims history;  
5       (3) Market conditions;  
6       (4) A summary of any changes to policy terms, conditions,  
7           or coverage; and  
8       (5) A clear and concise breakdown of the premium  
9           calculation, which shall identify any administrative  
10           costs, loss reserves, reinsurance costs, and claims-  
11           related factors specific to the insured property;

12 provided that the notice shall include the extent to which each  
13 of these categories contributes to the premium increase.

14       (c) The insurer shall include a statement in all written  
15 notices provided pursuant to this section that the policyholder  
16 may contact the insurer to request additional information about  
17 the policyholder's premium increase. The insurer shall respond  
18 to and provide additional information for a policyholder's  
19 subsequent requests for premium change transparency no less  
20 than       calendar days from the receipt of any request.



1        (d) The insurer shall send the written notice to the  
2 policyholder in writing and may send either explanations or  
3 notices via postal mail or electronic mail, if the policyholder  
4 has consented to receive notifications electronically.

5        (e) The insurer shall contemporaneously file  
6 electronically with the commissioner a copy of any written  
7 notice and supporting documentation provided to a policyholder  
8 pursuant to this section. An insurer's failure to send the  
9 notice required by this section to the policyholder or file a  
10 copy with the commissioner shall be considered a violation of  
11 this chapter. A listing of all notices received by the  
12 commissioner shall be available to the public.

13        **§431:10E- Property insurance; annual filings; review of**  
14 **insurance practices; reports.** (a) Beginning January 1, ,  
15 all insurers offering property insurance policies in the State  
16 shall file a copy of the insurer's rate schedules and  
17 underwriting criteria with the commissioner annually.

18        (b) The commissioner shall conduct periodic reviews of  
19 insurance rates to ensure compliance with state laws, focusing  
20 on rate-setting practices, prevention of price-gouging, and  
21 unfair discrimination.



1        (c) In addition to the filing requirements established in  
2 subsection (a), an insurer shall file with the commissioner an  
3 annual report in a form to be approved by the commissioner that  
4 shall detail:

5        (1) The average premium increases for all policyholders,  
6 including master property insurance policies for  
7 policyholders that are condominium associations,  
8 planned community associations, or cooperative housing  
9 corporations in this State;

10       (2) The reasons for the average premium increase,  
11 including trends in claims or market conditions; and

12       (3) The total number of complaints filed by policyholders.

13       (d) The commissioner shall submit an annual report to the  
14 legislature no later than twenty days prior to the convening of  
15 each regular session that contains a summary of the information  
16 received pursuant to this section, including any other findings,  
17 recommendations, or proposed legislation.

18       **§431:10E- Property insurance; public reporting; dispute**

19 **resolution.** (a) The commissioner shall establish and  
20 administer a public reporting and dispute resolution program  
21 that shall include:



1       (1) A dedicated consumer hotline and online reporting  
2       system to handle complaints related to insurance rates  
3       and practices, or concerns regarding excessive  
4       premiums or inadequate coverage; and

5       (2) An appeals process for policyholders to file a formal  
6       appeal with the commissioner to challenge a premium  
7       increase believed to be unjustified; provided that the  
8       commissioner shall:

9       (A) Acknowledge receipt of the policyholder's filed  
10       appeal within five business days;

11       (B) Conduct an investigation and provide a written  
12       determination within thirty calendar days; and

13       (C) If the commissioner determines that the premium  
14       increase violates state law, require adjustments  
15       or refunds.

16       (b) An insurer shall not take any retaliatory action  
17       against a policyholder that files a complaint or appeal pursuant  
18       to this section.

19       **§431:10E- Property insurance; disaster risk mitigation**  
20       **credits.** (a) An insurer offering property insurance in the  
21       State shall provide premium discounts or credits to



1 policyholders that implement disaster risk mitigation measures,  
2 including the installation of wind-resistant roofing,  
3 flood-proofing systems, fire suppression or sprinkler systems,  
4 and other fire prevention improvements.

5 (b) Insurers shall notify policyholders of the amount of  
6 the discount or credit in writing via postal mail or electronic  
7 mail if the policyholder has consented to receive notifications  
8 electronically."

9 SECTION 2. Section 431:10-226.5, Hawaii Revised Statutes,  
10 is amended to read as follows:

11 "~~§~~431:10-226.5~~§~~ **Notice of cancellation or nonrenewal.**

12 In the case of cancellation of a policy, the insurer shall give  
13 written notice to the insured not fewer than ten days prior to  
14 the effective date of cancellation. For nonrenewal of a policy,  
15 the insurer shall give written notice to the insured not fewer  
16 than thirty days prior to the effective date of nonrenewal. If,  
17 upon renewal, a policyholder's premium will increase by ten per  
18 cent or more, the insurer shall give written notice to the  
19 insured not fewer than \_\_\_\_\_ days prior to the effective  
20 date of renewal. If under title 24 or a policy, a longer time  
21 period is required for a notice of cancellation or nonrenewal



1 for the policy, the longer period shall be applicable.  
2 Cancellation or nonrenewal shall not be deemed valid unless  
3 evidence of mailing is provided."

4 SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Insurance Division; Insurance Commissioner; Property Insurance; Premium Change Notice; Notice Requirements; Transparency; Review; Reports; Public Reporting and Dispute Resolution Program; Complaint; Appeals; Disaster Risk Mitigation

**Description:**

Requires insurers to provide advance written notice to policyholders and the Insurance Commissioner, with reasonable explanations and primary factors, of any policy cancellation, non-renewal, or proposed premium increase, if, upon renewal, premiums are scheduled to increase more than ten per cent. Requires insurers that provide property insurance to file rate schedules and underlying criteria with the Insurance Commissioner. Requires the Insurance Commissioner to conduct periodic reviews of insurance rates and submit annual reports to the Legislature. Requires the Insurance Commissioner to establish a Public Reporting and Dispute Resolution Program to handle complaints and appeals regarding premium increases. Requires insurers to provide premium discounts or credits to policyholders that implement disaster risk mitigation measures. Effective 7/1/2050. (SD1)

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

