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TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Wednesday, March 4, 2015
9:15 a.m.

TESTIMONY ON SENATE BILL NO. 589, S.D. 1 – RELATING TO INSURANCE.

TO THE HONORABLE GILBERT S.C. KEITH-AGARAN, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports this bill.

The purpose of this bill is to require the renewal of property insurance in areas where a state of emergency has been declared due to a lava flow threat and the lifting of the moratorium on the issuance of new policies in these areas. This bill also continues to permit insurers to non-renew for nonpayment of premium by a policyholder and places a cap of annual nonrenewal. Once this bill is enacted, the Hawaii Property Insurance Association will lift the moratorium on the issuance of new policies in the Puna district of Hawaii Island.

The Department notes amendments to this measure, as reflected in S.D. 1, result from an agreement with interested stakeholders and addresses many of the issues Puna homeowners face in areas threatened by lava flow.

We thank this Committee for the opportunity to present testimony on this matter.



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Alison H. Ueoka
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TESTIMONY OF ALISON UEOKA

COMMITTEE ON JUDICIARY & LABOR
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

Wednesday, March 4, 2015
9:15 a.m.

SB 589, SD1

Chair Keith-Agaran, Vice Chair Shimabukuro, and members of the Committee, my name is Alison Ueoka, Executive Director of the Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately thirty-six percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council supports this measure. SB 589, SD1 represents a measure drafted with the cooperation of the Insurance Commissioner and us to specifically address residents of Puna who are adversely affected by the lava flow, who were previously insured and were unable to sell their homes due to the prospective buyer being unable to secure homeowners insurance. We believe that this measure will provide that needed coverage by lifting the moratorium of HPIA and allowing them to write the coverage if the risk was previously insured.

We ask for your favorable consideration of this measure. Thank you for the opportunity to testify.