

Honolulu, Hawaii

March 29, 2016

RE: S.B. No. 2851
S.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 2851, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to clarify who is responsible
for determining if residential property insurance is unavailable
due to a moratorium on the issuance of policies in lava zones that
are under a state of emergency in the County of Hawaii.

Specifically, the measure designates the Insurance
Commissioner as the government official responsible for making
such a determination.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs.

Your Committee finds that under the present law, the Hawaii
Property Insurance Association must offer new residential
insurance policies once policies become unavailable due to the
moratorium. Your Committee finds that this administration measure
clarifies the respective roles of the Insurance Commissioner, the
Mayor of the County of Hawaii, and the Hawaii Property Insurance
Association during a threat of imminent disaster from a lava flow.

As affirmed by the record of votes of the members of your
Committee on Consumer Protection & Commerce that is attached to



this report, your Committee is in accord with the intent and purpose of S.B. No. 2851, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



ANGUS L.K. MCKELVEY, Chair



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