
SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
COMPILE PERTINENT DATA TO DETERMINE THE APPROPRIATE SCOPE
OF A STUDY ANALYZING WHETHER IMPLEMENTATION IN THIS STATE
OF LAWS SIMILAR TO CAPTIVE INSURANCE LAWS OF MASSACHUSETTS
WOULD ADDRESS THIS STATE'S RESIDENTIAL CONDOMINIUM PROPERTY
INSURANCE NEEDS.

1 WHEREAS, associations of apartment owners throughout the
2 State have faced steep increases in residential condominium
3 property insurance since 2021; and
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5 WHEREAS, the increases are due in part to City and County
6 of Honolulu ordinances Nos. 19-4 and 22-2, which require the
7 installation of automatic fire sprinkler systems in certain
8 residential condominium buildings; and
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10 WHEREAS, although an association of apartment owners may
11 opt out of the sprinkler installation requirements if the
12 association of apartment owners pursues other fire safety
13 improvements, insurance rates have escalated sharply for almost
14 all residential condominium properties regardless of whether a
15 condominium property has received an acceptable score or had the
16 condominium's fire sprinkler systems retrofitted; and
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18 WHEREAS, Massachusetts' approach to captive insurance may
19 provide an alternative to traditional condominium property
20 insurance at a time when insurance offered by major Hawaii
21 insurers is increasingly becoming unaffordable for many
22 homeowners and associations of apartment owners; now, therefore,
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24 BE IT RESOLVED by the Senate of the Thirty-second
25 Legislature of the State of Hawaii, Regular Session of 2023, the
26 House of Representatives concurring, that the Department of
27 Commerce and Consumer Affairs is requested to survey the
28 applicable association of apartment owners for each of the three



1 hundred nine condominium properties that are subject to the
2 requirements of Honolulu Ordinances Nos. 19-4 and 22-2 to
3 determine:

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- 5 (1) Whether the captive insurance approach of
6 Massachusetts may offer a practical means of
7 addressing the skyrocketing insurance premiums for
8 each applicable condominium property;
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- 10 (2) Whether the association of apartment owners has either
11 filed a notice of its intention to install automatic
12 fire sprinkler systems in individual units within the
13 applicable condominium property or, before September
14 2022, undertaken a life safety evaluation conducted by
15 a licensed design professional;
16
- 17 (3) If the association of apartment owners has conducted a
18 life safety evaluation in lieu of installing or
19 retrofitting a sprinkler system, whether the
20 condominium property has received an acceptable score
21 or sustained increased property insurance premiums
22 since 2020, or both; and
23
- 24 (4) If the association of apartment owners has filed a
25 notice of its intention to install or retrofit
26 sprinkler systems in individual units, whether the
27 condominium property has sustained increased property
28 insurance premiums since 2020; and
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30 BE IT FURTHER RESOLVED that, no later than six months after
31 the adoption of this measure, the Department of Commerce and
32 Consumer Affairs is also requested to compile the information
33 received from the survey responses and submit to the Legislature
34 an interim report containing the compiled information; provided
35 that, for any condominium property that has sustained increased
36 property insurance premiums since 2020, the report shall include
37 the percentage by which the condominium property's insurance
38 premiums have increased each year from the prior year during
39 this period; and
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41 BE IT FURTHER RESOLVED that, no later than twenty days
42 prior to the convening of the Regular Session of 2024, the



1 Department of Commerce and Consumer Affairs is also requested to
2 submit to the Legislature a final report of its findings and
3 recommendations, including any proposed legislation, regarding
4 the appropriate scope of a study analyzing whether
5 implementation of a captive insurance system in the State that
6 is modeled after the captive insurance system of Massachusetts
7 would adequately and appropriately address the State's
8 residential condominium property insurance needs; and
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10 BE IT FURTHER RESOLVED that the Department of Commerce and
11 Consumer Affairs is also requested to share the information
12 compiled pursuant to this measure with, and include in its final
13 report to the Legislature recommendations from, condominium
14 property management companies, the Hawaii Captive Insurance
15 Council, Hawaii Council of Community Associations, Kokua
16 Council, and the Hawaii Chapter of the Community Associations
17 Institute; and
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19 BE IT FURTHER RESOLVED that a certified copy of this
20 Concurrent Resolution be transmitted to the Director of Commerce
21 and Consumer Affairs.

