

MAR 07 2023

SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE INSURANCE DIVISION OF THE DEPARTMENT OF
COMMERCE AND CONSUMER AFFAIRS CONDUCT A STUDY ANALYZING
WHETHER IMPLEMENTATION IN THIS STATE OF LAWS SIMILAR TO
MASSACHUSETTS' CAPTIVE INSURANCE LAWS 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; and
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17 WHEREAS, Massachusetts' approach to captive insurance may
18 provide an alternative to traditional condominium property
19 insurance at a time when insurance offered by major Hawaii
20 insurers is increasingly becoming unaffordable for many
21 homeowners and associations of apartment owners; now, therefore,
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23 BE IT RESOLVED by the Senate of the Thirty-second
24 Legislature of the State of Hawaii, Regular Session of 2023, the
25 House of Representatives concurring, that the Insurance Division
26 of the Department of Commerce and Consumer Affairs is requested
27 to conduct a study analyzing whether implementation of a captive
28 insurance system in the State that is modeled after
29 Massachusetts' captive insurance system would adequately and



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1 appropriately address the State's residential condominium
2 property insurance needs; and

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4 BE IT FURTHER RESOLVED that the Insurance Division is
5 requested to include in its study a survey of condominium
6 property management companies, the Department of Commerce and
7 Consumer Affairs, the Hawaii Captive Insurance Council, Hawaii
8 Council of Community Associations, Kokua Council, and the Hawaii
9 Chapter of the Community Associations Institute; and

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11 BE IT FURTHER RESOLVED that the Insurance Division is
12 requested to submit a report of its findings and
13 recommendations, including any proposed legislation, to the
14 Legislature no later than twenty days prior to the convening of
15 the regular session of 2024; and

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17 BE IT FURTHER RESOLVED that a certified copy of this
18 Concurrent Resolution be transmitted to Insurance Commissioner.

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OFFERED BY: *Carol Johnson*

