

Senate Committee on Commerce and Consumer Protection

September 28, 2023

DCCA Hawai'i Insurance Division



Agenda

- Overview of Insurance Division
- Insurance Division Response
- Immediate Response From Industry
- Current State
- What Comes Next?



Overview of Insurance Division

The Insurance Division is responsible for overseeing the insurance industry in the State of Hawai'i, which covers every aspect of insurance: insurance companies, insurance agents, self-insurers and captives.

The functions of the Insurance Division are organized into seven branches:

- Compliance and Enforcement
- Rate and Policy Analysis
- Financial Surveillance and Examination
- Licensing
- Health Insurance
- Captive Insurance
- Insurance Fraud Investigation

All branches work together to fairly administer the Insurance Code to safeguard public interest by monitoring insurance company activities, regulate for solvency and to ensure fairness in the marketplace.

Insurance Division Response

Webpage Created:

- cca.hawaii.gov/fireclaims

Handouts at DRC and Posted Online

- Fire Claim Information
- Automobile Fire and Storm Claim Damage
- Frequently Asked Questions on Fire Claims
 - Translated FAQs (10 languages)
- NAIC Post Disaster Guide



Mga Madalas Itanong sa mga Claim para sa Sunog

T: Nasira ang policy ko sa sunog, saan ako makakakuha ng bago?

S: Maaari kang makipag-ugnayan sa iyong kompanya ng insurance o ahente ng insurance para makakuha ng kopya. Kung may website o app sa telepono ang iyong insurer, maaari mong ma-access ang iyong policy at maghain ng claim sa pamamagitan ng paraan na iyon.

T: Kanino ako makikipag-ugnayan para makapaghain ng claim?

S: Maaari kang makipag-ugnayan sa iyong kompanya ng insurance o ahente ng insurance para makakuha ng kopya. Kung may kopya ka ng iyong policy, mangyaring basahin ang pamamaraan sa paghahain ng claim. Karaniwang nakikita ang mga tagubilin na ito sa Mga Tungkulin Pagtapos ng Kawalan (o Pangyayari) sa ilalim ng seksyon ng mga Kondisyon ng iyong policy.

T: Paano nagaganap ang proseso ng mga claim?

S: Kapag naihain ang isang claim, magtatagala ang kompanya ng insurance ng isang claims adjuster para tayahin ang pinsala at alamin ang kabayaran. Hinihikayat namin ang mga may-ari ng bahay na tandaan at subaybayan ang mga petsa ng anumang mga pakikipag-usap sa ahente ng insurance at adjuster.

T: Kung nasunog ang bahay ko o napinsala dahil sa sunog, ano ang dapat kong gawin bago at pagkatapos kong maghain ng claim?

S: Dapat isaalang-alang ng mga may-ari ng bahay na sundin ang mga hakbang bago at pagkatapos maghain ng claim.

- Iulat ang pinsala sa iyong kompanya ng insurance o ahente (kumuha ng claim).
- Kung hindi na matirhan ang iyong bahay o condo, magtanong kung saklaw ba ng iyong policy ang gastos para sa pansamantala o alternatibong pabahay.
- Isumite ang mga form ng katunayan ng kawalan o iba pang mga form ng claim kung hiniling ng iyong kompanya ng insurance. Maaaring may deadline para sa mga form na ito kapag nagawa na ang kahilingang ito.
- Kung naaangkop, itabi at panatilihin ang mga napinsalang gamit para sa susunod na pagsusuri o inspeksyon ng iyong adjuster.
- Huwag magsimula ng permanenteng mga pagsasaayos hanggang sa mainspeksyon ng isang adjuster ang pinsala o sinabi na sa iyo ng insurer mo na magpaayos ka na.
- Makipagtulungan sa iyong adjuster at sa isang lisensyadong contractor para tantyahin ang gastos ng mga pagsasaayos.
- Simulan ang pagsasaayos pagkatapos matanggap ang mga check ng settlement.

Huwag pumasok sa iyong ari-arian hanggang sa may pahintulot ka nang pumasok dahil ligtas na. Kung hindi mo mataya ang pinsala, ipaalam ito sa iyong insurer at makipag-ugnayan sa kanila hanggang sa mataya mo na ari-arian sa tulong ng isang adjuster.

Insurance Division Response

Insurance Commissioner Declaration

- **August 9** - Issued a declaration authorizing temporary assistance of nonresident independent adjusters due to the fires across the State. The Insurance Commissioner decided to allow nonresident independent adjusters to operate in the State temporarily to help handle the amount of work due to the fires.

- The Insurance Commissioner wanted to ensure that insurance companies can timely respond to property owners' needs.
- These nonresident independent adjusters are contracted by insurance companies to assist with claims processing. This declaration did not apply to non-resident public adjusters. Public adjusters assess and evaluate claims on behalf of policyholders for a fee to be paid by the policyholder.

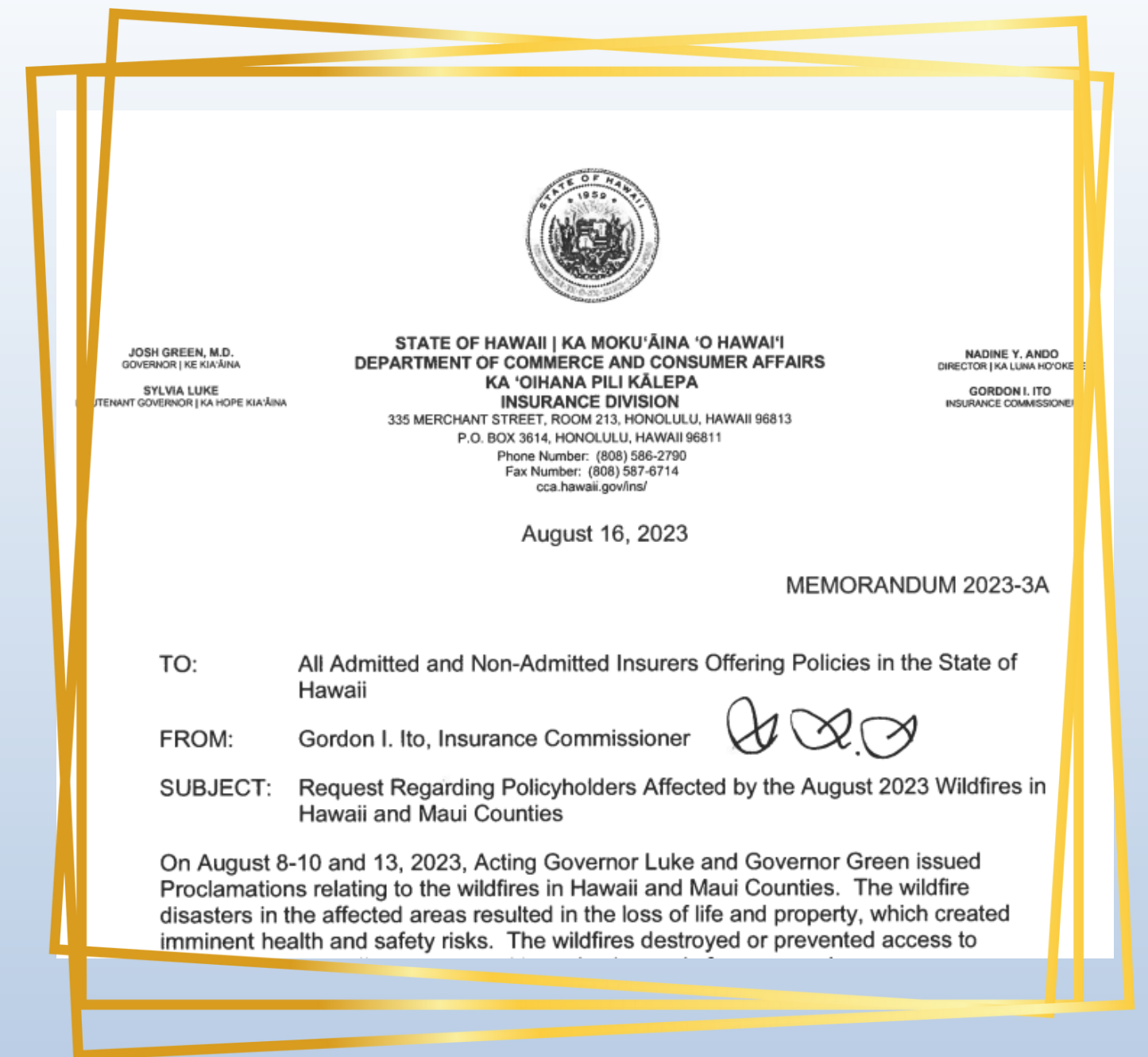


Insurance Division Response

Insurance Commissioner Memorandums

- **August 16** – Issued memorandum encouraging insurers to be mindful of the residents who have lost their homes, business and employment due to the wildfires. Insurance Commissioner encouraged insurers to work with their insured to ensure coverage continues, policies do not lapse, and to do the following:


1. Refrain from cancelling or non-renewing policies due to non-payment during this time of hardship and to grant a grace period for premium payments to be made;
2. Work with insureds on a structured payment plan for late premium payments;
3. Waive late fees and penalties;
4. Extend timeframes to complete property and automobile inspections or undergo medical examinations; and
5. Continue working with insureds for a period of 60 days after this emergency has passed, or as long as reasonably practical.



Insurance Division Response

Insurance Commissioner Memorandums

- **September 1** – Issued memorandum requiring insurers to report financial information regarding claims related to wildfire and wind damage (a data call).
- This financial insurance information collected will be used to monitor the solvency of domestic insurers. Additionally, data calls are commonly used by state insurance departments to determine the total number of claims and insured losses due to a disaster. The data collected is based on aggregate data for lines of business covered by the insurers and not on the individual properties.


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INSURANCE COMMISSIONER

MEMORANDUM 2023-4E

September 1, 2023

TO: All Licensed and Surplus Lines Property and Casualty Insurers
FROM: Gordon I. Ito, Insurance Commissioner *GII*
SUBJECT: Hawaii AUGUST 2023 Wildfires and Wind Damages Claims Data Call
DATE: September 1, 2023

On August 8, 2023, several large wildfires in the counties of Maui and Hawaii, enhanced by strong easterly winds, resulted in overwhelming damages, including the loss of life and property, in the districts of Lahaina, Kula, Kihei, North Kohala, and South Kohala.

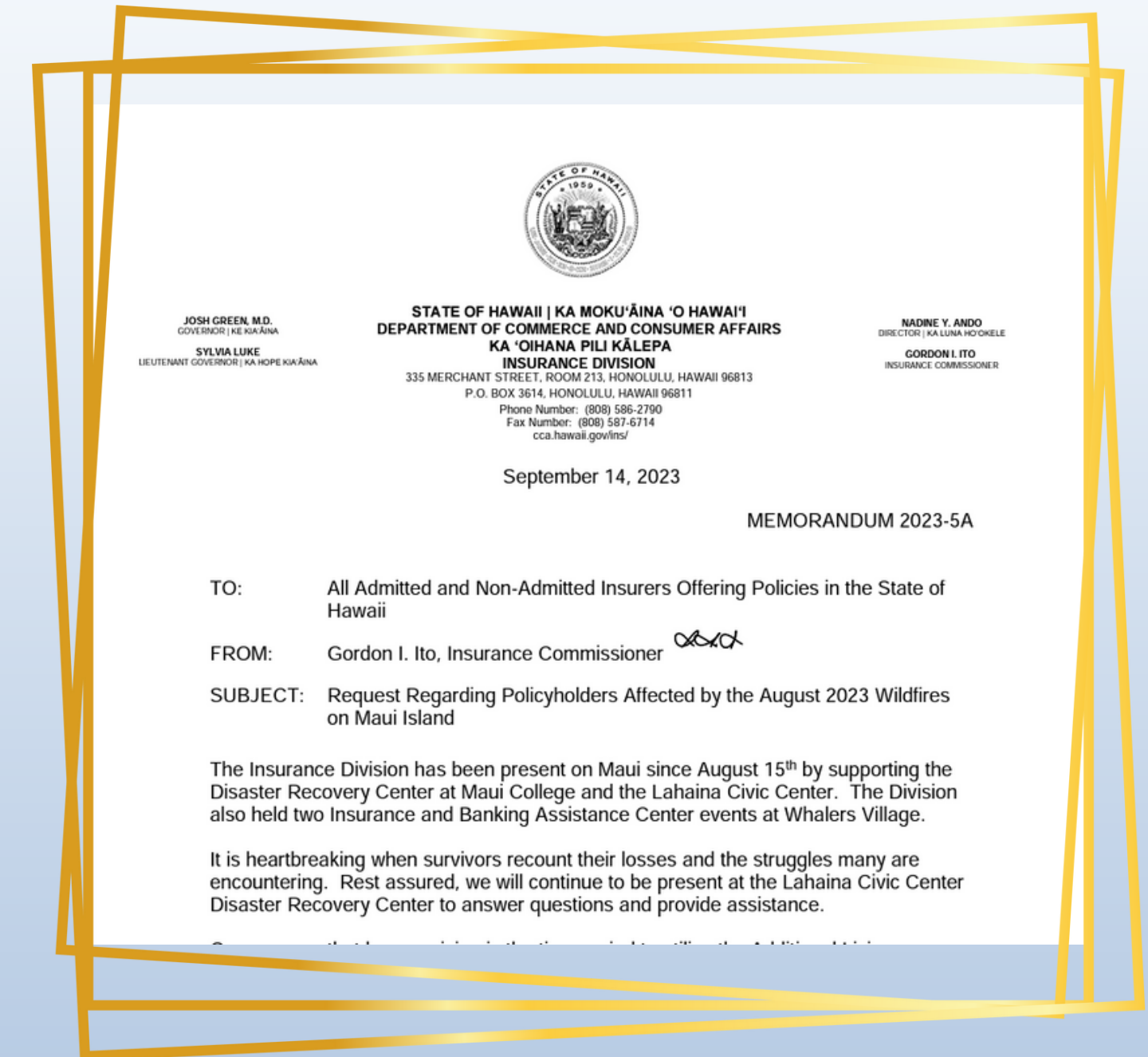
The Insurance Commissioner, through the State of Hawaii's Department of Commerce and Consumer Affairs' (DCCA) Insurance Division (HID), requests that all property and casualty insurers and surplus lines carriers respond to this data call.

Companies shall report information regarding claims related to wildfire and wind damage which stemmed from the State of Hawaii August 8, 2023, disaster.

Insurance Division Response

Insurance Commissioner Memorandums

- **September 14** – Issued memorandum encouraging insurers to extend Additional Living Expenses (ALE) to 36 months, subject to policy limits.
- The ALE time period varies among insurers, but is often 12 months from the date of the event. Recovery for Lahaina in particular will take a significant amount of time and for this reason the Commissioner issued this memorandum.
- Policyholders are encouraged to contact their insurance company to see if it will provide at least the 36 months for ALE and to obtain information on any policy limits. We also encourage policyholders to be prudent in budgeting the use of ALE benefits. If there are other federal or state resources available, the division recommends using these before ALE, if possible.



Insurance Division Response

Outreach Events

- Staffing the Disaster Recovery Centers at Maui College and Lahaina Civic Center since August 17.
- Created two Insurance & Banking Assistance Center (IBAC) events on August 26 & 27 September 1 & 2 in Whalers Village.
- Attended the Federal Resource Fair on August 26.
- Attended the Business Forum in Kapalua on September 5.
- Attended the Filipino Resource Fair on September 23.

Have assisted over 300 individuals with their insurance questions.



Immediate Response From Industry

- Insurers and agents started outreach shortly after the fire.
 - Insurance Division encouraged insurers to use “geomapping” for claims processing.
- Physical claim processing locations were established by many insurers, with tents setup by August 15th and more added in the following days.
- Many insurers have reached out and contacted their policyholders.



Current State

- Most insureds are in the claims process.
- Continue to work with your insurer and adjuster to submit forms as requested.
- Be careful of people pressuring you to sign contracts to provide assistance.
 - Understand what costs will be charged.
- Be careful of scams and do not sign your entire claim payment over to a contractor.
- If not satisfied with timeliness of response, contact our office at insurance@dcca.hawaii.gov or 808-586-2790.
- If you have any insurance questions, please email or call our office.



Image from Mental Health America via Canva.com

What Comes Next?

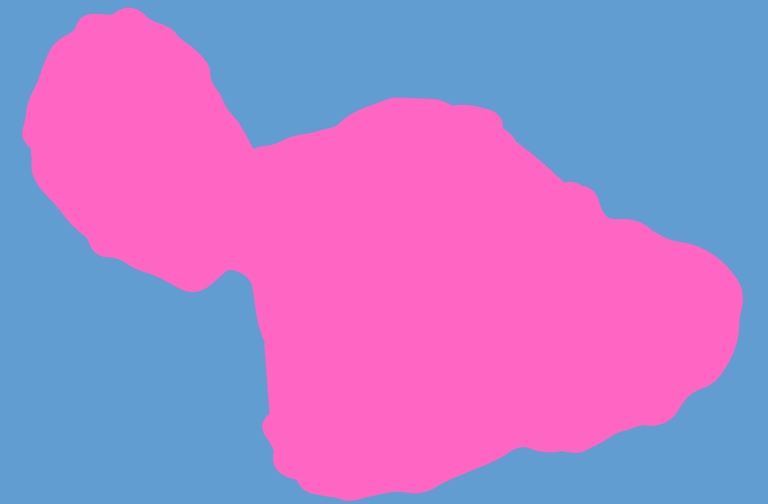
- Once allowed to reenter the area, coordinate access with your insurer/adjuster/agent if they need to look at your property. Take precautions before entering the area.
- When starting actual repairs, make sure you check if the contractor is licensed and see if there are any complaints against the contractor before signing. Licensee status and complaint lookup at <http://BusinessCheck.hawaii.gov>.
- Contact your insurance company regarding supplemental payments if additional damage is discovered during the repair or rebuilding process.



Visit us at cca.hawaii.gov/ins

Contact us at: insurance@dcca.hawaii.gov

Or call us at: 808-586-2790



THANK YOU!

