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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Thursday, March 16, 2023
10:00 a.m.

State Capitol, Conference Room 229 and via Video Conferencing

On the following measure:

S.R. 43, 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.

Chair Keohokalole and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner for the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this concurrent resolution.

The purpose of this bill is to request 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

This resolution asks the Insurance Division to conduct a study that would, in part, assess whether a system of insurance based on "Massachusetts' captive insurance

Testimony of DCCA

S.R. 43

Page 2 of 2

system would adequately and appropriately address the State's residential condominium property insurance needs[.]” (p. 1, line 29 to p. 2, line 2).

Assessing adequacy with respect to the state’s entire stock of condominiums would be beyond the capacity of the Insurance Division’s staff and would likely require contracting for professional services.

Thank you for the opportunity to testify on this bill.

SR-43

Submitted on: 3/13/2023 8:59:36 PM

Testimony for CPN on 3/16/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark R. Hagadone, Ph.D., FACFE	Testifying for Community Association Institute, Hawaii Chapter	Support	Written Testimony Only

Comments:

We are in support of the intent and purpose of SR 43.