
A BILL FOR AN ACT

RELATING TO THE HAWAII PROPERTY INSURANCE ASSOCIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the existing
2 composition of the board of directors of the Hawaii Property
3 Insurance Association does not adequately represent the
4 interests of the public.

5 The legislature further finds that climate change has
6 drastically impacted Hawaii, through an increase in natural
7 disasters. However, because of the State's unique geography,
8 the challenges posed by these disasters vary depending on where
9 in the State they occur. The Hawaii Property Insurance
10 Association is the State's insurer of last resort; however its
11 board, which represents the State's communities, is centered
12 around public member appointments made by the insurance
13 commissioner. A change in the appointment mechanism for
14 membership on the board of directors of the association is
15 needed to allow comprehensive statewide representation of the
16 State's diverse geographic areas and communities.



1 Accordingly, the purpose of this Act is to amend the
2 composition of the board of directors of the Hawaii Property
3 Insurance Association by increasing the number of public members
4 from three to an unspecified number and requiring the speaker of
5 the house of representatives and president of the senate, rather
6 than the insurance commissioner, to appoint the public members.

7 SECTION 2. Section 431:21-104, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§431:21-104 Board of directors.** (a) The board of
10 directors shall have responsibility and control over the
11 organization, management, policies, and activities of the
12 association. The board of directors of the association shall
13 consist of [~~twelve~~] _____ persons serving terms as established
14 in the plan of operation. The board shall be composed of:

15 (1) Eight voting members selected by the member insurers;

16 (2) One voting member appointed by the commissioner to
17 represent insurance producers; [~~and~~]

18 (3) [~~Three~~] _____ voting members appointed by the
19 [~~commissioner~~] speaker of the house of representatives
20 to represent the public[-]; and



1 (4) voting members appointed by the president of the
2 senate to represent the public.

3 (b) [The] Except for voting members representing the
4 public, the commissioner shall appoint the initial members of
5 the board of directors. All member insurers shall be fairly
6 represented on the board.

7 (c) Members of the board may be reimbursed from the assets
8 of the association for reasonable expenses incurred by them as
9 members of the board of directors."

10 SECTION 3. Notwithstanding the Hawaii Property Insurance
11 Association's plan of operation, the term of each existing
12 public member of the board of directors of the Hawaii Property
13 Insurance Association in office as of the day before the
14 effective date of this Act shall terminate on . The
15 speaker of the house of representatives and president of the
16 senate shall appoint the public members of the board as required
17 by section 431:21-104(a) (3) and (4), Hawaii Revised Statutes, as
18 amended by section 2 of this Act, no later than .

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Hawaii Property Insurance Association; Board of Directors;
Composition; Public Members

Description:

Increases the number of public members on the Board of Directors of the Hawaii Property Insurance Association from three to an unspecified number. Requires the Speaker of the House of Representatives and Senate President, rather than the Insurance Commissioner, to appoint the public members. Takes effect 7/1/3000. (SD1)

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