

Honolulu, Hawaii

FEB 07 , 2024

RE: H.B. No. 2056
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2056 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to establish a State Reinsurance Exploratory Working Group to explore the feasibility of establishing a state-run reinsurance program in Hawaii to ensure affordable coverage for property owners against catastrophic events such as wildfires or flooding.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii Association of REALTORS; and numerous individuals. Your Committee received testimony in opposition to this measure from the Reinsurance Association of America and one individual.

Your Committee finds that, as an island state, Hawaii has unique geographical and environmental challenges, including from the recent Maui wildfires, flooding, lava flows, and other natural disasters. This measure takes a proactive and strategic approach to explore methods to mitigate liabilities faced by private reinsurance companies and, in turn, ensure affordable coverage for property owners against catastrophic events, by establishing a



working group to explore the feasibility of state-run insurance coverage.

Your Committee has amended this measure by:

- (1) Amending the membership of the State Reinsurance Exploratory Working Group;
- (2) Removing as unnecessary a reference to the State Ethics Code, as the State Ethics Commission's longstanding practice is to exclude the activities of task force members from the general provisions of the Code;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2056, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

for 
MARK M. NAKASHIMA, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2056	Committee Referral: CPC, FIN	Date: 1/31/2024		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)				/
2. SAYAMA, Jackson D. (VC)	/			
3. AMATO, Terez	/			
4. BELATTI, Della Au	/			
5. HASHEM, Mark J.	/			
6. HUSSEY-BURDICK, Natalia	/			
7. GATES, Cedric Asuega	/			
8. LOWEN, Nicole E.				/
9. ONISHI, Richard H.K.	/			
10. TAM, Adrian K.				/
11. PIERICK, Elijah	/			
TOTAL (11)	8	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				