



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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October 20, 2023

**VIA ELECTRONIC MAIL**

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Hawaii State Capitol, Room 409  
415 South Beretania Street  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House  
Hawaii State Capitol, Room 431  
415 South Beretania Street  
Honolulu, Hawaii 96813

Subject: Interim Report for S.C.R. No. 48; Insurance Division; Department of Commerce and Consumer Affairs; Captive Insurance Study

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

The Department of Commerce and Consumer Affairs (Department) provides the following response for the Hawaii State Legislature interim report pursuant to Senate Concurrent Resolution No. 48, SD1 (SCR48, SD1) which requests that the Department of Commerce and Consumer Affairs provide a report of compiled information received from the survey responses.

The Department sent a survey letter to three-hundred nine (309) residential high-rises subject to Honolulu Ordinances Nos. 19-4 and 22-2 (Ordinances), to gather information about the impact of the Ordinances. The Department received outreach assistance from the Hawaii Council of Community Associations and various condominium managing agents. The Department concluded gathering data from this survey on August 31, 2023.

The survey responses were gathered by email, electronic mail, and physical mail. Through all the outreach and follow-up efforts by the Department, we received one hundred ninety-three (193) survey responses. The Department notes that associations comprised of multiple high-rises elected to submit one response on behalf of their respective high-rises. In addition, 11 survey responses were submitted by associations not listed in the Honolulu Fire Department's List of Residential High-rises.

Following the survey responses, the Department reports the following statistics to supplement and provide further clarity. To provide highlights of the 193 survey responses:

- 14.5% of associations installed, or plans to install fire sprinklers;
- 86.5% of associations pursued a life safety evaluation ("LSE"), noting that some associations pursuing an LSE also plan to install fire sprinklers;
- 22.3% of associations received an acceptable score on their LSE;
- 53.4% of associations needed to increase maintenance fees or issue a special assessment to comply with the Ordinances;
- The average amount of funds that associations expended and/or allotted to comply with the Ordinances is \$1,621,44; and
- From 2020 to 2023, condominium property insurance premiums increased on average by 116.2%

Please contact us if you have any questions (808) 586-2850.

Sincerely,



NADINE Y. ANDO  
Director of Commerce and Consumer Affairs