

MAR 01 2024

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# SENATE RESOLUTION

REQUESTING HOMEOWNERS INSURERS TO ESTABLISH A LOSS-CONTROL PROGRAM AIMED AT REDUCING THE RISK OF LOSS OR MITIGATING DAMAGE TO INSURED PROPERTY CAUSED BY THE PERIL OF FIRE.

1 WHEREAS, the State had the highest homeowner's insurance  
2 markup rates of any state from 1996 to 2021; and  
3

4 WHEREAS, a recent analysis revealed that the State has been  
5 historically lucrative for insurers as insurers have been  
6 raising premium rates without having to pay out many claims; and  
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8 WHEREAS, the August 2023 Maui wildfires devastated the  
9 historic town of Lahaina; and  
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11 WHEREAS, many residents of Lahaina during the August 2023  
12 Maui wildfires did not have homeowner's insurance, likely due to  
13 the high cost of homeowner's insurance premiums in the State;  
14 and  
15

16 WHEREAS, one wooden house in the center of Lahaina, now  
17 known as the "Miracle House", survived relatively unscathed due  
18 to certain loss-control measures the owner implemented,  
19 including removing the landscaping directly surrounding the  
20 house and replacing it with river stones; and  
21

22 WHEREAS, many insurers have loss-control programs that are  
23 not only designed to help policyholders reduce risks of damage  
24 and loss from certain perils, but also benefit both the  
25 policyholder, who is rewarded with reductions to their insurance  
26 premium rates, and the insurer, who is less likely to have to  
27 pay out on claims; and  
28

29 WHEREAS, insurers should offer discounted premium rates for  
30 certain policyholders in the State who, like the owner of the  
31 "Miracle House", implement loss-control measures, including  
32 removing flammable material, debris, and vegetation within  
33 certain perimeters of the insured property; removing risks of  
34 fire caused by lava; and using inflammable material in the



1 construction or renovation of the insured property; now,  
2 therefore,

3

4 BE IT RESOLVED by the Senate of the Thirty-second  
5 Legislature of the State of Hawaii, Regular Session of 2024,  
6 that homeowners insurers are requested to establish a loss-  
7 control program aimed at reducing the risk of loss or mitigating  
8 damage to insured property caused by the peril of fire; and

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10 BE IT FURTHER RESOLVED that the loss-control program  
11 established is requested to:

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13 (1) Begin on January 1, 2025;

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15 (2) Comply with all rules adopted by the Insurance  
16 Commissioner; and

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18 (3) Grant to an applicant a discount in the applicant's  
19 homeowners insurance premiums for insured property  
20 upon receipt of written verification from the  
21 applicant that the applicant has implemented loss-  
22 control measures at the insured property to lessen or  
23 minimize an insured loss from the perils of fire,  
24 including fire caused by wildfire, lava, or both,  
25 including:

26

27 (A) Removal of flammable material, debris, and  
28 vegetation within certain perimeters of the  
29 insured property;

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31 (B) Removal of risk of fire caused by lava; and

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33 (C) Use of inflammable material in the construction  
34 or renovation of the insured property; and

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36 BE IT FURTHER RESOLVED that the Insurance Commissioner is  
37 requested to adopt rules for the loss-control program, including  
38 prescribing the requirements for determining whether insured  
39 property was constructed or renovated with inflammable material;  
40 and

41

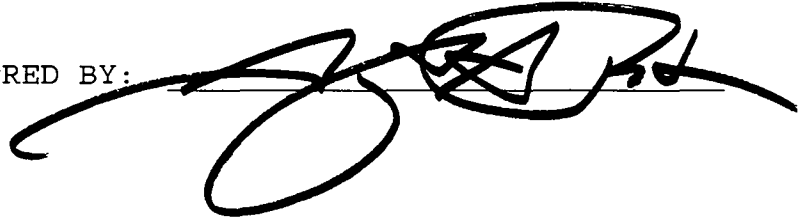


# S.R. NO. 16

1 BE IT FURTHER RESOLVED that a certified copy of this  
2 Resolution be transmitted to the Insurance Commissioner.

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OFFERED BY: \_\_\_\_\_

A large, stylized handwritten signature in black ink is written over a horizontal line. The signature is highly cursive and difficult to decipher, but it appears to be a name with a prominent initial.