STAND. COM. REP. NO. 3219

Honolulu, Hawaii

MAR 2 2 2024

RE: H.B. No. 2048

H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2048, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII PROPERTY INSURANCE ASSOCIATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the number of public members on the Board of Directors of the Hawaii Property Insurance Association from three to four; and
- (2) Require the Speaker of the House of Representatives and President of the Senate, rather than the Insurance Commissioner, to appoint the public members.

Your Committee received testimony in support of this measure from Hawaii First Realty LLC and three individuals.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and Hawai'i Property Insurance Association.

Your Committee finds that the Hawaii Property Insurance Association (HPIA) is a state-run insurer of last resort that

provides basic property insurance for persons unable to purchase homeowners coverage in the private market. Under existing law, the HPIA board, which has the responsibility and control over the organization, management, policies, and activities of the HPIA, consists of twelve members, three of whom are public members appointed by the Insurance Commissioner. Your Committee finds that the existing appointment process is not representative of, or responsive to the State's diverse geographic areas and communities. Therefore, this measure amends and improves the HPIA board member selection process to increase statewide representation and ensure that all communities have a seat at the table.

Your Committee has amended this measure by:

- (1) Inserting an unspecified number of public members to be appointed to the Board of Directors of the Hawaii Property Insurance Association by the Speaker of the House of Representatives and the President of the Senate, respectively, to encourage further discussion;
- (2) Making a conforming amendment by inserting an unspecified number of total members to compose the Board of Directors of the Hawaii Property Insurance Association;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2048, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

STAND. COM. REP. NO. 3219
Page 3

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

JARRETT KEÖHOKALOLE, Chair

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee	Committee Referral:		Date:	
HB2048 HDI	CPN,	WAM	1 3	3/14/2	4
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)					
FUKUNAGA, Carol (VC)		~			
MCKELVEY, Angus L.K.					
RICHARDS, III, Herbert M. "Tim"		V		·	
AWA, Brenton		✓			
	 				
					·
					:
				• •	
TOTAL		5			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes