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OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Finance
Thursday, February 22, 2024
10:00 a.m.

State Capitol, Conference Room 308 and via Video Conferencing

On the following measure:
H.B. 2048, H.D.1, RELATING TO THE HAWAII PROPERTY INSURANCE
ASSOCIATION

Chair Yamashita and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner for the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to increase the number of public members on the board of directors of the Hawaii Property Insurance Association from three to four. Requires the Speaker of the House of Representatives and Senate President, rather than the Insurance Commissioner, to appoint the public members.

The Insurance Division defers to the Legislature on composition of the Hawai'i Property Insurance Association board.

Thank you for the opportunity to testify on this bill.

HB-2048-HD-1

Submitted on: 2/21/2024 6:08:45 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
MARILYN JOHNSON	Individual	Support	Written Testimony Only

Comments:

Property insurance availability is a severe problem in Lava Zone 1 and 2. The board of HPIA needs to better understand the problems Puna residents face after insurers have been able to pull out of the market, and the only insurance offering left to us is HPIA - which is severely restricted on what it is able to insure with regards to property values. It's as if the HPIA board does not understand the factors that contribute to the problem.

If two knowledgeable community members were included in the HPIA board, it would at least give residents a feeling that our crisis needs are being heard. As it is today, I feel the HPIA product is yesterday's product that doesn't fit today's problems.

Please pass this bill.

HB-2048-HD-1

Submitted on: 2/21/2024 6:36:10 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David S Davenport	Individual	Support	Written Testimony Only

Comments:

As a resident in Zone 2 in Puna, my only option is HPIA insurance. I support the addition of a fourth member to the HPIA board, and the change to have the legislature, not the insurance commission, appoint members.

HB-2048-HD-1

Submitted on: 2/21/2024 7:13:49 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Janet Marshall	Individual	Support	Written Testimony Only

Comments:

Hawaii's insurance is far higher than other states and consumers need to be part of finding solutions. Please support this measure.

HB-2048-HD-1

Submitted on: 2/21/2024 8:30:02 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

I support an increase in public members on the board of directors for property insurance. I also feel that by splitting the appointment of public members to 2 different parties is in the public interest.

Thank you,

Mrs. Ruth Love

HB-2048-HD-1

Submitted on: 2/21/2024 9:19:53 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dianne Moore	Individual	Support	Written Testimony Only

Comments:

Our insurance has gone from \$1700 a year to \$7100 a year using HPIA as the carrier. As per its state mandate, HPIA was supposed to be a carrier that was reasonable and affordable. It is neither reasonable nor affordable, and will eventually cause the foreclosure of almost everyone in Lava Zone 1 and 2. Everyone else in the State of Hawaii should be very concerned as they are only one disaster away from the same thing happening to them: See Lahaina!!!

HB-2048-HD-1

Submitted on: 2/22/2024 7:31:52 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Sparks	Individual	Support	Written Testimony Only

Comments:

I support this bill to change the way Board of HIPA are chosen. The need for transparency is necessary and will bring great trust of the HIPA Board. This is the first of many changes that need to done to make this Board effient and representative of the people they are supposed to serve.

Thank you

HB-2048-HD-1

Submitted on: 2/22/2024 7:51:03 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Cigainero	Individual	Support	Written Testimony Only

Comments:

Dear Committee Chair and Members:

I am writing in support of expanding the membership of the Hawaii Property Insurance Association.. This bill would add balance to the association by expanding the public membership which currently is industry based. With the crisis we are experiencing with home owner insurance in parts of the Big Island of Hawaii, having the public interest better represented is important.

Thank you foir your consideration of my comments.

Barbara Cigainero, Keaau, HI

HB-2048-HD-1

Submitted on: 2/22/2024 8:06:42 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leah Gouker	Individual	Support	Written Testimony Only

Comments:

Aloha,

Here in Puna, we are on the edge of a crisis regarding property insurance. The rates are astronomical, unrealistic, and could restrict the potential of our community development plan and other needs, such as the development of a medical facility and services here. Please consider taking all measures necessary to address this challenge to the safety and well-being of our community.

Mahalo,

Leah Gouker

HB-2048-HD-1

Submitted on: 2/22/2024 8:09:10 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Renee Rabb	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice-Chair Kitagawa, and Members:

Thank you for allowing me the opportunity to testify in support of HB2048 by Rep. Ilagan which increases the number of public members on the board of the Hawaii Property Insurance Association and allows the Speaker and the Senate President to appoint them. More public participation on the board will provide a broader rang of expertise and will bring fresh ideas to our insurance crisis.

Mahalo,

Renee Rabb

Hawaiian Paradise Park

Keaau, HI 96749

HB-2048-HD-1

Submitted on: 2/22/2024 8:34:00 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
MonaLisa Hyatt	Individual	Support	Written Testimony Only

Comments:

I Support this bill. There should always be more than one person to appoint public members to the board of directors .

Mahalo,

MonaLisa Hyatt