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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Thursday, March 21, 2024
2:05 p.m.]
State Capitol, Conference Room 329 and via Videoconference**

On the following measure:

H.C.R 173, REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A WORKING GROUP TO ASSESS THE FEASIBILITY AND IMPACT OF REQUIRING COVERAGE FOR COMMERCIAL PROPERTIES AND STRUCTURES, INCLUDING GREENHOUSES AND SHADE HOUSES, UNDER THE HAWAII PROPERTY INSURANCE ASSOCIATION'S PLAN OF OPERATION.

Chair Nakashima and Members of the Committee:

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

The purpose of this resolution is to request the Insurance Commissioner to convene a working group to assess the feasibility and impact of requiring coverage for commercial properties and structures, including greenhouses and shade houses, under the Hawaii Property Insurance Association's (HPIA) plan of operation.

We note that Hawaii Revised Statutes section 431:21-105(b)(1) already contemplates that HPIA may cover commercial risks up to limits of coverage for

residential risks as set forth in the plan of operation. We also note that mandating coverage of additional risk in certain areas may affect the underlying costs of HPIA.

Thank you for the opportunity to testify.