
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to article 10E to be
3 appropriately designated and to read as follows:
4 "§431:10E- Property insurance; notice of premium
5 increase; policy renewal; notice requirements; common interest
6 communities. (a) Beginning January 1, , this section shall
7 apply to any insurer that renews a master property insurance
8 policy for a policyholder that is a condominium association,
9 planned community association, or cooperative housing
10 corporation in the State.
11 (b) An insurer shall automatically provide a written
12 premium change notice to the policyholder disclosing the causes
13 of any premium increase for the insurance policy if, upon
14 renewal, the premium will increase by per cent or more;
15 provided that the notice required under this subsection shall be
16 provided to the policyholder no less than calendar days
17 before the effective date of the renewed policy. The premium



1 change notice shall include reasonable explanations and the
2 primary factors contributing to any premium increase, which
3 shall include the following categories:

4 (1) Water damage claims;

5 (2) Wastewater plumbing replacements;

6 (3) Fire safety devices and practices;

7 (4) Directors' and officers' liability claims;

8 (5) Reinsurance costs; and

9 (6) Catastrophic losses to the insurance industry;

10 provided that the notice shall include the extent to which each
11 of these categories contributes to the premium increase.

12 (c) In addition to the requirements of subsection (b),
13 insurers shall automatically issue a loss run report to the
14 policyholder at the end of each policy year.

15 (d) Insurers shall include a statement in all premium
16 change notices that the policyholder may contact their insurer
17 to request additional information about the policyholder's
18 premium increase. Insurers shall respond to and provide
19 additional information for a policyholder's subsequent requests
20 for premium change transparency no less than calendar days
21 from the receipt of any request.



1 (e) Insurers shall send premium change notices to
2 policyholders in writing and may send either explanations or
3 notices via postal mail or electronic mail if the policyholder
4 has consented to receive notifications electronically.

5 (f) All insurers shall file electronically with the
6 commissioner a copy of any premium change notice provided to a
7 policyholder pursuant to this section. An insurer's failure to
8 send the notice required by this section to the policyholder or
9 file a copy with the commissioner shall be considered a
10 violation of this chapter."

11 SECTION 2. (a) Any insurer that renewed a property
12 insurance policy between the dates of January 1, 2022, to
13 December 31, 2024, for a policyholder that was a condominium
14 association, planned community association, or cooperative
15 housing corporation in the State, shall prepare a written
16 statement, with reasonable explanations and primary factors,
17 disclosing the cause for any premium increase that was effective
18 upon renewal between this period; provided that the premium
19 increased by at least per cent during this period. The
20 insurer shall send its written statement to the insurance



1 commissioner and the respective policyholder no later
2 than _____ days after the effective date of this Act.

3 (b) The insurance commissioner shall review all written
4 statements submitted by insurers pursuant to subsection (a) and
5 shall submit a report of its findings and recommendations,
6 including any proposed legislation, to the legislature no later
7 than twenty days prior to the convening of the regular session
8 of 2026; provided that the report shall not be required to
9 include any information concerning premium changes that were
10 warranted due to the structural condition of any insured
11 property.

12 (c) Upon the effective date of this Act, the insurance
13 commissioner shall notify all applicable insurers of their duty
14 to comply with the requirements of this Act.

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Insurance Commissioner; Property Insurance; Premium Change Notice; Common Interest Communities; Loss Run Report; Notice Requirements; Disclosures; Report

Description:

Requires insurers to provide automatic, advance written premium change notices to common interest community policyholders and the Insurance Commissioner, with reasonable explanations and primary factors, disclosing the causes of any premium increase if, upon renewal, premiums are scheduled to increase more than an unspecified per cent. Requires insurers to automatically issue a loss run report to the policyholder at the end of each policy year. Requires insurers that renewed property insurance policies between 2022 and 2024 for policyholders that were condominium associations, planned community associations, or cooperative housing corporations in the State to provide an explanation for certain premium increases during this period. Requires the Insurance Commissioner to submit a report to the Legislature. Effective 7/1/2050. (SD1)

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