

STAND. COM. REP. NO.

254

Honolulu, Hawaii

FEB 07 , 2025

RE: H.B. No. 253

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 253 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to allow authorized insurers
in the State to offer building and hurricane insurance for
condominium buildings at a lesser rate than the building's prior
surplus lines insurance policy for the same coverage.

Your Committee received comments on this measure from the
Department of Commerce and Consumer Affairs.

Your Committee finds that the availability of condominium
building master insurance policy and unit owner insurance policy
options within the condominium insurance marketplace was
shrinking, even before the August 2023 Maui wildfire event. For
condominium building master insurance policies, insurers have
increased deductible amounts from what used to be between \$10,000
to \$25,000 per unit, per occurrence, to as much as \$250,000.
Furthermore, insurance premiums for hurricane insurance policies
have recently risen so high that three hundred seventy-five to
three hundred ninety buildings have opted to renew their hurricane
insurance policies with less than one hundred percent hurricane
coverage. This measure will incentivize admitted insurers to

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provide insurance at rates, while higher than the rates they provide, lower than the rates offered by surplus lines insurers.

Your Committee notes that there are ongoing discussions between the Committee and larger insurance companies for those companies to be drawn into and enter the admitted insurance carrier market.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 253, H.D. 1, and be referred to your Committee on Finance.

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



SCOT Z. MATSUMOTO, Chair



