

STAND. COM. REP. NO.

783

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 490  
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. 490 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to require the Insurance  
Commissioner to:

- (1) Develop comprehensive standards and requirements for condominium associations, developers, and groups of condominium associations and developers, to obtain property insurance through self-insurance and mutual insurance;
- (2) Examine and evaluate the feasibility of implementing guaranteed buyback programs and investment-based protection funds for condominiums; and
- (3) Submit findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026.



Your Committee received testimony in support of this measure from two individuals. 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 is intended to have the Insurance Commissioner evaluate available alternatives to address this crisis.

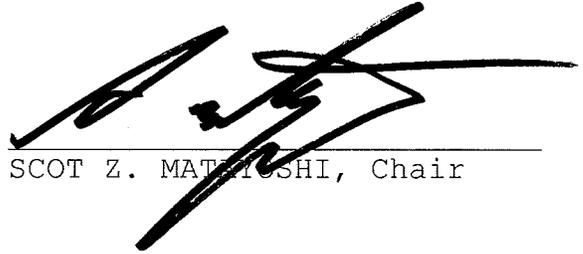
Your Committee has amended this measure by:

- (1) Deleting language that required the Insurance Commissioner to:
  - (A) Develop comprehensive standards and requirements for condominium associations and developers to obtain property insurance; and
  - (B) Examine and evaluate the feasibility of implementing guaranteed buyback programs and investment-based protection funds for condominiums;
- (2) Specifying that the Insurance Commissioner is required to study the feasibility of the mutual insurance model for condominium associations, including condominium associations in the State joining mutual insurance companies that are located in another state of the United States;
- (3) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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. 490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 490, 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. MATSUSHITA, Chair



