

STAND. COM. REP. NO.

2010

Honolulu, Hawaii

APR 04 , 2025

RE: S.B. No. 1044
S.D. 2
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred S.B. No. 1044, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STABILIZATION OF PROPERTY INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to help stabilize the property insurance market in the State by:

- (1) Expanding the powers of the Hawaii Property Insurance Association and reactivating the Hawaii Hurricane Relief Fund and authorizing these entities to underwrite certain insurance risks that no standard insurer is currently willing to underwrite;
- (2) Appropriating funds as a loan to the Hawaii Property Insurance Association for administrative and startup costs, minimum solvency costs, and the purchase of reinsurance;
- (3) Authorizing the Director of Finance to issue general obligation bonds for deposit into the Hurricane Reserve Trust Fund to facilitate the initial issuance of policies to condominium associations; and

2025-3079 SB1044 HD2 HSCR HMSO



- (4) Requiring the Insurance Commissioner to conduct a study to identify or develop a long-term solution to stabilize the property insurance market in the State and appropriating funds for this purpose.

Your Committee received testimony in support of this measure from the Hawai'i Green Infrastructure Authority; Waikiki Neighborhood Board; AARP Hawaii; Hawai'i Association of REALTORS; Mortgage Bankers Association of Hawaii; Hawaii Bankers Association; The Hawaii Association of Mortgage Brokers & Professionals; and four individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Hawaii Insurers Council; Hawaii Financial Services Association; National Association of Mutual Insurance Companies; State Farm Insurance; Hawaii Property Insurance Association; and one individual.

Your Committee has amended this measure by:

- (1) Authorizing the Hawaii Hurricane Relief Fund to contract with entities specializing in providing insurance administration, in addition to licensed property and casualty insurers in the State, to act as a servicing facility;
- (2) Authorizing the issuance of \$50,000,000 in reimbursable general obligation bonds, rather than general obligation bonds;
- (3) Specifying that the existing Hurricane Reserve Trust Fund balance of funds shall be expended before reimbursable general obligation bond proceeds are deposited into the Hurricane Reserve Trust Fund; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1044, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Finance,

A handwritten signature in black ink, appearing to read 'K.T. Yamashita', written over a horizontal line.

KYLE T. YAMASHITA, Chair



