

STAND. COM. REP. NO. 730

Honolulu, Hawaii

FEB 27 2025

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1044, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to address the increasing costs and declining availability of property insurance in the State.

Specifically, this measure:

- (1) Amends state laws governing the Hawaii Property Insurance Association and the Hawaii Hurricane Relief Fund to enable these entities to underwrite certain insurance risks in the State that no standard insurer is currently willing to underwrite; and
- (2) Requires the Insurance Commissioner to conduct a study to monitor and identify the most effective methods of stabilizing the property insurance market in the State.

Your Committee received written comments in support of this measure from the Hawaii Green Infrastructure Authority, Chairperson of the Maui County Council, AARP Hawaii, Hawaii Insurers Council, Mortgage Bankers Association of Hawaii, Hawaii



Family Caregiver Coalition, Hawai'i Realtors, Hawaii Financial Services Association, Hawaii Credit Union League, and five individuals.

Your Committee received written comments on this measure from the Attorney General and Insurance Commissioner.

Your Committee finds that the State's rising disaster risks and increasingly unpredictable property insurance market have caused property insurance premiums for residents and businesses to increase dramatically in recent years. Simultaneously, condominium properties have seen the availability of building master insurance policies and unit owner insurance policy options decrease. Accordingly, your Committee finds that legislative action is necessary to stabilize the property insurance market and ensure that property owners can access affordable property insurance coverage.

Your Committee has amended this measure by:

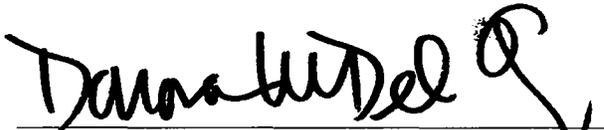
- (1) Establishing a condominium loan program, which will:
 - (A) Be administered by the Hawaii Green Infrastructure Authority to provide condominium associations with funds for essential repairs and deferred maintenance; and
 - (B) Sunset on June 30, 2045;
- (2) Establishing and appropriating moneys into and out of a condominium loan program special fund;
- (3) Establishing in session law, rather than codifying in the Hawaii Revised Statutes, certain provisions of this measure that require the Hawaii Property Insurance Association and Hawaii Hurricane Relief Fund to contract with domestic private insurers to act as servicing facilities by October 1, 2025; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.



Your Committee respectfully requests future standing committees that hear this measure to consider whether the Department of Commerce and Consumer Affairs, rather than the Hawaii Green Infrastructure Authority, may be a more appropriate agency to administer the Condominium Loan Program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044, S.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.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1044 SD1	Committee Referral: CPN, WAM	Date: 2-12-25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
MORIWAKI, Sharon Y. (VC)	/			
AQUINO, Henry J.C.	/			
DECOITE, Lynn	/			
ELEFANTE, Brandon J.C.	/			
HASHIMOTO, Troy N.	/			
INOUYE, Lorraine R.	/			
KANUHA, Dru Mamo	/			
KIDANI, Michelle N.	/			
KIM, Donna Mercado	/			
LEE, Chris	/			
WAKAI, Glenn	/			
FEVELLA, Kurt	/			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes