

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 1128
S.D. 1

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1128 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish requirements for insurers relating to claims for additional living expenses under homeowners insurance policies, including situations where losses are incurred during a state of emergency.

Your Committee received testimony in support of this measure from three individuals.

Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council and American Property Casualty Insurance Association.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, National Association of Mutual Insurance Companies, and one individual.

Your Committee finds that certain insurance policies provide additional living expenses (ALE) coverage, which can help cover costs associated with temporary housing or cover mortgage payments in the event an insured's property is not inhabitable or gets destroyed. Particularly for survivors of the 2023 Maui wildfires,



many policyholders have experienced delays in rebuilding their homes due to permitting issues, infrastructure setbacks, and other administrative obstacles, resulting in ALE coverage expiring well before their rebuilds have been completed. Additionally, housing options provided by national disaster relief agencies are not always available or practicable for all displaced families. Accordingly, current coverage periods do not align with the real timeline of disaster recovery. This measure, by extending ALE coverage periods and establishing other requirements, helps prevent further displacement and financial hardship for affected families.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1128, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARETT KEONOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB1128	Committee Referral: CPN, WAM	Date: 1/31/25		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton				✓
TOTAL	3	0	0	2
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