

STAND. COM. REP. NO.

173

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 1129
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. 1129 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Insurance Commissioner to convene a working group to identify, assess, and recommend certain risk transfer market mechanisms.

Your Committee received testimony in support of this measure from one individual.

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

Your Committee finds the insurance landscape has been challenging for homeowners in the State, with issues ranging from high premiums to inadequate coverage for natural disasters. These issues are exacerbated by the lack of transparent, fair, and effective risk transfer mechanisms, which leaves many homeowners feeling they are financially unprotected in the event of significant property damage. Your Committee finds that this measure seeks to address these issues by comprehensively studying the complexities of more equitable risk distribution models to enhance insurance affordability in the State.



Your Committee acknowledges the testimony of the Department of Commerce and Consumer Affairs, which recommended that the working group have a clear timeline to prepare a report, appropriate funds to facilitate the study, and require the group to submit its findings and recommendations, including any proposed legislation, in a separate report rather than as part of the Insurance Commissioner's annual report required pursuant to existing law.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required the working group's findings and recommendations to be included in the Insurance Commissioner's annual report pursuant to section 431:2-211, Hawaii Revised Statutes, and inserting language to require that the Insurance Commissioner submit a separate annual report of the working group's findings and recommendations to the Legislature no later than twenty days prior to the convening of each regular session, beginning with the regular session of 2026;
- (2) Inserting language to appropriate an unspecified amount of general funds for the working group to facilitate the study;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments 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. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, 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,



JARRETT KEOHOKALOLE, Chair

