

Honolulu, Hawaii

**FEB 27 2025**

RE: S.B. No. 1137  
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. 1137 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 insurers to notify policyholders of rate changes within thirty days of approval by the Insurance Commissioner of a rate change and not less than thirty days before the effective date of the rate change.

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

Your Committee received testimony in opposition to this measure from the National Association of Mutual Insurance Companies.

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

Your Committee finds that there is a lack of consistency among insurers providing direct notice to individual policyholders regarding rate changes, leaving many consumers uninformed about adjustments to their insurance coverage that could affect their financial future. Your Committee finds that several states, such



as New Jersey and Washington, have implemented regulations requiring insurers to directly notify policyholders of any rate changes within specified time frames of the changes becoming effective. This measure establishes a baseline standard for required information to be disclosed to increase transparency and enhance consumer protection.

Your Committee acknowledges the testimony of the Department of Commerce and Consumer Affairs expressing concerns that this measure may create significant operational challenges for insurers without providing meaningful benefits to policyholders. Insurers typically need time to operationalize the changes once a rate filing is approved by the Insurance Commissioner, which includes updating internal rating systems, testing for accuracy, and ensuring compliance with regulatory requirements. Your Committee also acknowledges the concern that issuing notices before insurers have fully validated rate changes could result in inaccurate or unclear information being communicated to policyholders. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required the notification to be sent no later than thirty days after the rate filing is approved by the Insurance Commissioner and clarifying that the notification shall be sent at least thirty days before the effective date of the rate change;
- (2) Updating section 1 to reflect its amended purpose;
- (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. 1137, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as S.B.  
No. 1137, S.D. 1, and be placed on the calendar for Third Reading.

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



JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB1137</b>	Committee Referral: <b>CPN</b>	Date: <b>2/14/25</b>		
<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	✓			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes