

Honolulu, Hawaii

**FEB 27 2025**

RE: S.B. No. 1575  
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. 1575 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to allow authorized insurers in the State to offer building and hurricane damage insurance for condominium buildings at a lesser rate than the building's prior surplus lines insurance policy for the same coverage.

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 and one individual.

Your Committee finds that there are two main classes of property insurance providers operating in the State. There are admitted insurers, who are regulated by the Insurance Division of the Department of Commerce and Consumer Affairs, and surplus lines insurers, who are not subject to the same regulations and commonly provide coverage to properties that carry high risks. Surplus lines insurers are able to charge higher premiums to condominium associations purchasing surplus lines policies because of the lack of other options available to the association. In addition to



paying extra for coverage, surplus lines customers do not enjoy the same protections afforded to customers of admitted insurers that are overseen and held accountable by the state regulatory agency. This measure will address this issue by incentivizing admitted property insurers in the State to provide the same coverage for certain types of risks that were previously only taken on by surplus lines insurers, such as hurricane insurance, at a lower cost to the customer.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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. 1575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1575, 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,



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ARRETT KEOHOKALOLE, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

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

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB1575</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/14/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
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: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

\*Only one measure per Record of Votes