

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 802
S.D. 2

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

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 802, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to require more transparency in property insurance rate pricing.

Specifically, this measure:

- (1) Requires insurers to provide advance written notice to policyholders and the Insurance Commissioner, with reasonable explanations and primary factors, of any policy cancellation, non-renewal, or proposed premium increase, if, upon renewal, premiums are scheduled to increase more than ten percent;
- (2) Requires insurers that provide property insurance to file rate schedules and underlying criteria with the Insurance Commissioner;
- (3) Requires the Insurance Commissioner to:
 - (A) Conduct periodic reviews of insurance rates and submit annual reports to the Legislature; and



- (B) Establish a Public Reporting and Dispute Resolution Program to handle complaints and appeals regarding premium increases; and
- (4) Requires insurers to provide premium discounts or credits to policyholders that implement disaster risk mitigation measures.

Your Committees received written comments in support of this measure from two individuals.

Your Committees received written comments in opposition to this measure from the American Property Casualty Insurance Association and State Farm.

Your Committees received written comments on this measure from the Attorney General and Department of Commerce of Consumer Affairs, Insurance Division.

Your Committees find that insurers are able to increase premiums with little or no warning and without explanation. Your Committees further find that this measure will increase transparency in property insurance rate pricing by requiring insurers to provide advanced notice of, and justifications for, premium rate increases that exceed ten percent.

Your Committees have amended this measure by:

- (1) Adding a savings clause to clarify that the measure does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before the measure's effective date; and
- (2) Adding language to clarify that the measure shall not be applied to impair any contract existing as of the measure's effective date in a manner that violates the Hawaii State Constitution or Article I, Section 10, of the United States Constitution.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 802, S.D. 1, as amended herein, and recommend



that it pass Third Reading in the form attached hereto as S.B.
No. 802, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary,



KARL RHOADS, Chair



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.:* <i>SB802 SD1</i>	Committee Referral: <i>CPN, WAM/JDC</i>	Date: <i>2-26-2025</i>		
<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)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	<i>13</i>	<i>0</i>	<i>0</i>	<i>0</i>
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**

