

STAND. COM. REP. NO. 170

Honolulu, Hawaii

**FEB 10 2025**

RE: S.B. No. 803  
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. 803 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require insurers to provide automatic, advance written premium change notices to common interest community policyholders and the Insurance Commissioner, with reasonable explanations and primary factors, disclosing the causes of any premium increase if, upon renewal, premiums are scheduled to increase more than an unspecified percent;
- (2) Require insurers that renewed property insurance policies between 2022 and 2024 for policyholders that were condominium associations, planned community associations, or cooperative housing corporations in the State, to provide an explanation for certain premium increases during this period; and
- (3) Require the Insurance Commissioner to submit a report to the Legislature.



Your Committee received testimony in support of this measure from the Palehua Townhouse Association and seven individuals.

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

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

Your Committee finds that the cost of insurance for condominium associations, planned community associations, and cooperative housing corporations has significantly increased in the last decade, some without any sufficient explanation or warning. Various unforeseen emergencies such as natural disasters have attributed to the rising cost of insurance, which is then passed on to individual homeowners. Creating greater transparency for the increase in costs of annual insurance premiums will provide consumers with information necessary to make informed decisions about existing policies and conduct financial planning. Therefore, this measure empowers consumers statewide by promoting transparency within the insurance industry.

Your Committee has amended this measure by:

- (1) Inserting language requiring insurers to automatically issue a loss run report to the policyholder at the end of each policy year;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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. 803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 803, 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,



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JARRETT NEOHOKALOLE, Chair



