

## **TESTIMONY OF MICHAEL ONOFRIETTI**

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### **COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Representative Scot Z. Matayoshi, Chair

Representative Cory M. Chun, Vice Chair

Tuesday, March 25, 2025

2:00 p.m.

### **SB 752, SD1**

Chair Matayoshi, Vice Chair Chun, and members of the Committee on Consumer Protection & Commerce, my name is Michael Onofrietti, ACAS, MAAA, CPCU, Senior Vice President, Chief Actuary & Chief Risk Officer for Island Insurance, Board Chair and Chairman of the Auto Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit association of property and casualty insurance companies licensed to do business in Hawaii. Members companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** this bill. This bill requires longer periods of time to notify insureds of cancellation and non-renewals of all property and casualty insurance policies and requires a more expensive mailing of the notice. While it may appear that this bill would allow a greater time period for consumers to obtain another insurance policy, the requirements of the bill would add costs and may take away options for installment payments, creating a further hardship on consumers.

Longer notice and mailing requirements should only apply to insurer-initiated cancellations and non-renewals. If a consumer chooses to cancel or nonrenew their policy, insurers should not have to comply with longer notice or increased costs to mail that notice.

Furthermore, if a policy is cancelled due to non-payment of premium, a 30-day notice would create complications for those who opt for monthly installment payments. One of those complications is that there is not enough equity in the policy to cover the 30-day

period and therefore, insurers may opt to withdraw this option to pay in installments creating more financial hardship on policyholders. The longer notice time will impede and overlap with monthly installment payments and the reinstitution of the policy if the check is late or if the insured stops then resumes payments. If the process is too burdensome on the insurer, monthly installment payments may no longer be offered.

The requirement in the bill for certified, electronic, or e-certified mailing by one insurer's estimate is an additional \$6-8 per notice. This of course, will be passed on to consumers in the form of higher premiums. We believe this is an unnecessary added expense as most insurers already use certificate of mailing.

Finally, since we are in a hard market for property insurance, if this bill should move forward, it should be limited to property insurance policies in Hawaii and not to all lines of insurance.

For these reasons, we ask that this bill be held.

Thank you for the opportunity to testify.



**SanHi**

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 24, 2025

TO: Representative Scot Z. Matayoshi  
Chair, Committee on Consumer Protection and Commerce

FROM: Matt Tsujimura

RE: **S.B. 752, S.D.1 – Relating to Insurance**  
**Hearing Date: Tuesday, March 25, 2025 at 2:00PM**  
**Conference Room: 329**

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Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee on Consumer Protection and Commerce:

I am Matt Tsujimura, the retained lobbyist for State Farm Mutual Automobile Insurance Company (State Farm). State Farm **offers comments** to S.B. 752, S.D.1, which would increase the notice period for an insurer to notify a policy holder of a cancellation or nonrenewal of a property casualty insurance policy.

S.B. 752, S.D.1 amends Hawaii Revised Statutes (“HRS”) 431:10-226.5 to increase notice of cancellation and nonrenewal from 10 and 30 days to 30 and 60 days respectively. Based on the bill language, the intended scope of this change is to ensure that property and casualty insurance policyholders have sufficient time to find alternative coverage in the case of loss of coverage.

HRS 431:10-226.5 acts as a catch-all and applies generally where the HRS is otherwise silent through the provision that, “[i]f under title 24, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable.”

State Farm respectfully requests S.B. 752, S.D.1 include language providing an exception for HRS 431:10C-112, which already establishes notice requirements for cancellation and nonrenewal of motor vehicle insurance policies.

Motor vehicle and homeowners’ insurance policies differ significantly, particularly in their policy durations. Homeowners’ policies are typically issued on an annual basis and renewed yearly, whereas motor vehicle insurance policies generally provide coverage for either six or twelve months. In the case of motor vehicle insurance policies, cancellations often happen due to non-payment. Under the proposed language in S.B. 752, S.D.1, insurers would be required to continue providing coverage for an additional 30 days even if the customer is not paying for that coverage.

Applying the extended notice requirements in S.B. 752, S.D.1 to motor vehicle insurance would create operational challenges and could disrupt existing regulatory frameworks designed specifically for auto insurance.

State Farm requests the following amendments to section 2 of the bill:

SECTION 2. Section 431:10-226.5, Hawaii Revised Statutes, is amended to read as follows:

"~~[+]§431:10-226.5[+]~~ **Notice of cancellation or nonrenewal.** In the case of cancellation of a policy, the insurer shall give written notice to the insured not fewer than ~~[ten]~~ thirty fifteen days prior to the effective date of cancellation. For nonrenewal of a policy, the insurer shall give written notice to the insured not fewer than ~~[thirty]~~ sixty days prior to the effective date of nonrenewal. If under title 24 or a policy, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable~~[+]~~; provided that the longer period shall be applicable only to the insurer. Cancellation or nonrenewal shall not be deemed valid unless evidence of certified, electronic, or e-certified mailing is provided. This section shall not apply to motor vehicle insurance policy notice requirements under HRS §431:10C-112."

For these reasons we offer this testimony. Thank you for the opportunity to testify.



To: The Honorable Scot Z. Matayoshi, Chair  
The Honorable Cory M. Chun, Vice Chair  
House Committee on Consumer Protection & Commerce

From: Mark Sektnan, Vice President

Re: **SB 752 SD1 – Relating to Insurance**  
**APCIA Position: Comments - Request for Amendments**

Date: Tuesday, March 25, 2025  
2:00 p.m., Conference Room 329

Dear Chair Matayoshi, Vice Chair Chun and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is **requesting amendments to SB 752 SD1**, which would increase the notice requirements when an insurer either cancels or non-renews a policy.

The American Property Casualty Insurance Association is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

APCIA is requesting that the notice requirements for cancellation due to non-payment of premium or material representation and for cancellation due to nonrenewal differ from each other. State law is strict about the conditions for cancelling a policy. A policy cancellation is the result of a violation of the terms of the insurance contract the policyholder agreed to when they purchased the policy. Cancellation for violations like non-payment of premium or substantial change in the risk puts the insurer at risk for fraud. A non-renewal is the end of a contract period and a longer notice period may be appropriate.

APCIA would recommend the following amendment.

SECTION 2. Section 431:10-226.5, Hawaii Revised Statutes, is amended to read as follows: §431:10-226.5 Notice of cancellation or nonrenewal.

In the case of cancellation of a policy, the insurer shall give written notice to the insured not fewer than ~~[ten]~~ thirty days prior to the effective date of cancellation.  
**In the case of cancellation of a policy due to non-payment of premium or material representation, the insurer shall give written notice to the insured not**

*fewer than ten days prior to the effective date of cancellation.* For nonrenewal of a policy, the insurer shall give written notice to the insured not fewer than [~~thirty~~] sixty days prior to the effective date of nonrenewal. If under title 24 or a policy, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable [-] ; provided that the longer period shall be applicable only to the insurer. Cancellation or nonrenewal shall not be deemed valid unless evidence of certified, electronic, or e-certified mailing is provided."

APCIA is also requesting that the new notice requirements be limited to homeowners' policies since there does not seem to be issues with other lines of insurance.

Thank you for your consideration of this request.



Cecil Autry  
Sr Public Affairs Officer & Sr  
Counsel  
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March 25, 2025

Representative Scot Matayoshi, Chair  
Representative Cory Chun, Vice Chair  
House Committee on Consumer Protection & Commerce

Re: SB 752, SD1 Relating to Insurance

Aloha Chair Matayoshi, Vice Chair Chun, and members of the Consumer Protection & Commerce Committee,

Liberty Mutual appreciates the opportunity to offer comments to SB 752, SD 1. Liberty Mutual understands the intent of SB 752, SD 1 and would like to request an amendment highlighted in red below, to clarify the notice period for non-payment of premiums and material representations by the insured. Furthermore, Liberty Mutual asks that this committee make it clear that this change to Section 431:10-226.5 ONLY applies to homeowners' policies and not automobile policies.

SECTION 2. Section 431:10-226.5, Hawaii Revised Statutes, is amended to read as follows:

§431:10-226.5 Notice of cancellation or nonrenewal.

In the case of cancellation of a policy, the insurer shall give written notice to the insured not fewer than ~~(ten)~~ thirty days prior to the effective date of cancellation. **The insurer shall give written notice to the insured not fewer than ten days prior to the effective date of cancellation due to nonpayment of premium or material misrepresentation.** For nonrenewal of a policy, the insurer shall give written notice to the insured not fewer than ~~(thirty)~~ sixty days prior to the effective date of nonrenewal. If under title 24 or a policy, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable ~~[-]~~ provided that the longer period shall be applicable only to the insurer. Cancellation or nonrenewal shall not be deemed valid unless evidence of certified, electronic, or e-certified mailing is provided."



Mahalo for this opportunity to testify.

Yours Truly,

*Cecil*

Cecil J. Autry, Esq.  
Sr Public Affairs Officer & Sr Counsel



**SB-752-SD-1**

Submitted on: 3/21/2025 2:47:30 PM

Testimony for CPC on 3/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

I support this bill. It makes a more level playing field for property owners. please move this bill forward.