

JAN 23 2026

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## A BILL FOR AN ACT

RELATING TO INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. The legislature finds that wildfires in the  
2 State have caused loss of life, displacement, and major damage  
3 to homes, businesses, and public infrastructure, and have  
4 disrupted the availability and affordability of residential  
5 property insurance. The legislature further finds that insurers  
6 increasingly use wildfire risk scores, wildfire risk models,  
7 catastrophe models, and similar scoring methods to underwrite,  
8 price, surcharge, or discontinue residential property insurance,  
9 but policyholders and applicants often cannot obtain meaningful  
10 information about how these scores are determined or how risk-  
11 reducing actions may affect underwriting and pricing outcomes.

12 The legislature further finds that science-based wildfire  
13 mitigation measures at the property level and community level  
14 can reduce wildfire risk and expected loss. The legislature  
15 believes that insurers should account for verified mitigation  
16 actions in underwriting and pricing or, if an insurer's model  
17 does not incorporate mitigation actions, provide meaningful



1 premium discounts or other premium adjustments for demonstrated  
2 mitigation actions. The legislature further finds that  
3 policyholders should receive timely notice of their wildfire  
4 risk score or classification, applicable mitigation discounts,  
5 and a clear and accessible process to appeal inaccurate scores  
6 or discount determinations.

7 The legislature further finds that state policymakers  
8 across the western region have identified wildfire-driven  
9 insurance disruption as a shared and escalating challenge  
10 requiring coordinated, state-led solutions. The legislature  
11 further finds that the consumer transparency, mitigation  
12 recognition, and accountability measures contained in this Act  
13 reflect model policy concepts advanced through the Council of  
14 State Governments West annual meeting process and are consistent  
15 with reforms enacted in other western states as part of a multi-  
16 state effort to stabilize insurance markets, better align  
17 pricing with verified risk reduction, and protect consumers.

18 Accordingly, the purpose of this Act is to establish a  
19 comprehensive wildfire insurance consumer-protection framework  
20 that:



10 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
11 amended by adding a new part to article 10E to be appropriately  
12 designated and to read as follows:

**15                   §431:10E-A   Definitions.** (a) As used in this part:

16 "Applicant" means a person who has submitted a completed  
17 application for residential property insurance coverage.

18 "Catastrophe model" means a tool, instrumentality, means,  
19 product, or process, including a map-based tool, computer-based  
20 tool, or simulation, used by an insurer to estimate potential



1 losses from catastrophic events, including wildfire-related  
2 events.

3 "Community-level mitigation action" means a science-based  
4 mitigation action demonstrated by a community- or neighborhood-  
5 level designation, certification, or verification, or undertaken  
6 by a government entity, that reduces wildfire risk for a  
7 residential property or a community, including fuel reduction  
8 activities, forest treatment, wildfire-fighting and mitigation  
9 equipment investments, utility wildfire mitigation activities  
10 undertaken pursuant to a wildfire mitigation plan approved by  
11 the public utilities commission pursuant to chapter 269, and  
12 other risk-reduction activities identified by rule of the  
13 commissioner.

14 "Property-specific mitigation action" means a science-based  
15 mitigation action that reduces wildfire risk for a residential  
16 property, including defensible space, ignition-resistant or  
17 fire-resistive building hardening measures, and mitigation  
18 verified or certified through a program recognized by the  
19 commissioner by rule.

20 "Public plan-type association" means any public, quasi-  
21 public, or statutorily created plan-type association established



1 under this chapter to facilitate access to residential property  
2 insurance when coverage is not otherwise available in the  
3 voluntary market, including any residual market mechanism or  
4 joint underwriting-type association established under this  
5 chapter.

6 "Residential property insurance" means a policy of  
7 insurance that provides coverage for a residential structure or  
8 dwelling, residential condominium unit, multi-family residential  
9 housing, or appurtenant structures, and includes coverage  
10 provided through any residual market mechanism, joint  
11 underwriting association, or public plan-type association  
12 established under this chapter, as applicable.

13 "Risk score" or "wildfire risk score" means a numerical  
14 value, rating, score, tier, or categorization derived from a  
15 statistical tool, modeling system, algorithm, scoring method, or  
16 other process used, in whole or in part, to measure or assess  
17 wildfire risk associated with a residential property or  
18 community for purposes of underwriting, pricing, rating,  
19 classification, establishing a rate differential, applying a  
20 surcharge, determining eligibility, renewing, or nonrenewing  
21 residential property insurance.



1        "Scoring method" means an algorithmic or model-based  
2 method, including vendor products, that assigns a score, tier,  
3 class, or categorization used for underwriting or pricing  
4 decisions for residential property insurance, including wildfire  
5 risk scoring.

6                (b) The commissioner may adopt rules to further define  
7 definitions in this section consistent with this part.

8                **§431:10E-B Wildfire risk score disclosures; requests;**  
9                **required content; timelines.** (a) An insurer that uses a  
10 wildfire risk score in connection with underwriting, property  
11 evaluation, or rating of residential property insurance shall,  
12 upon the request of the insured, the insured's insurance  
13 producer, or an applicant, provide the requester with the  
14 following information for the residential property:

15                (1) The current wildfire risk score or other wildfire risk  
16                classification assigned to the residential property by  
17                the insurer;  
18                (2) The range of possible wildfire risk scores or  
19                classifications under the model or scoring method used  
20                by the insurer;



14 (c) Nothing in this section shall be construed to require  
15 an insurer to publicly disclose proprietary source code, trade  
16 secrets, or confidential vendor materials; provided that the  
17 insurer shall disclose sufficient information to comply with  
18 subsection (a).

19       §431:10E-C Model and scoring method filings; incorporation  
20       of mitigation; trade secret treatment. (a) An insurer that  
21       uses a wildfire risk model, catastrophe model, or scoring method

1 to assign wildfire risk for underwriting, pricing, rating,  
2 establishing a rate differential, applying a surcharge, renewal,  
3 or nonrenewal decisions for residential property insurance shall  
4 provide to the commissioner, as part of the insurer's rate  
5 filings or other filings required by the commissioner by rule:

6 (1) A description of each wildfire risk model, catastrophe  
7 model, or scoring method used, including how the model  
8 or scoring method is used in underwriting and pricing  
9 decisions;

10 (2) The impact of the model or scoring method on rates,  
11 surcharges, rating tiers, eligibility, and nonrenewal  
12 decisions;

13 (3) An actuarial justification for rating factors,  
14 including mitigation discounts and other premium  
15 adjustments offered; and .

16 (4) Any additional information required by rule, to the  
17 extent data is available.

18 (b) To the extent data is available and as established by  
19 rule, an insurer shall submit information as part of filings  
20 required by subsection (a) that describes how and whether the  
21 insurer's models or scoring methods account for statewide



1 mitigation activities and risk-reduction investments, including  
2 forest treatment, wildfire-fighting and mitigation equipment  
3 investments, and utility wildfire mitigation activities  
4 undertaken pursuant to a wildfire mitigation plan approved by  
5 the public utilities commission pursuant to chapter 269, and  
6 other mitigation activities undertaken by government entities or  
7 utilities.

8 (c) An insurer that uses a wildfire risk model,  
9 catastrophe model, or combination of models shall ensure that  
10 the following are either incorporated in the insurer's model or  
11 scoring method or are otherwise demonstrably included in the  
12 insurer's underwriting and pricing:

13 (1) Property-specific mitigation actions; and  
14 (2) Community-level mitigation actions.

15 (d) If an insurer does not incorporate property-specific  
16 mitigation actions and community-level mitigation actions into  
17 its wildfire risk model, catastrophe model, or scoring method,  
18 the insurer shall provide mitigation discounts, incentives, or  
19 other premium adjustments to policyholders and applicants who  
20 demonstrate that:



1 (1) Property-specific mitigation actions have been  
2 undertaken on the property;

3 (2) Community-level mitigation actions have been  
4 undertaken in sufficient proximity to the property to  
5 reduce the risk of loss; or

6 (3) As determined by rule of the commissioner.

**§431:10E-D Public website disclosures; notices; timing;**

14 **right to appeal; reconsideration.** (a) An insurer subject to  
15 this part shall post on its public website readily accessible  
16 information describing:

17 (1) Premium discounts, incentives, or other premium  
18 adjustments available for property-specific mitigation  
19 actions and community-level mitigation actions;  
20 (2) The process by which a policyholder or applicant may  
21 submit evidence of mitigation actions;





- 1 (3) For policyholders not being offered renewal, with the
- 2 notice of nonrenewal; and
- 3 (4) For policyholders, at least annually, at a time and in
- 4 a manner prescribed by rule of the commissioner.
- 5 (c) The notice required by subsection (b) shall include:
- 6 (1) A plain-language explanation of the wildfire risk
- 7 score or classification, including that different
- 8 insurers may use different models and score ranges;
- 9 (2) The range of possible scores or classifications that
- 10 could be assigned to the property under the insurer's
- 11 model or scoring method;
- 12 (3) The relative position of the property's assigned score
- 13 or classification within the insurer's range;
- 14 (4) A written explanation of why the policyholder or
- 15 applicant received the assigned score or
- 16 classification, identifying the primary property
- 17 features or other primary factors that influenced the
- 18 assignment; and
- 19 (5) The impact, if any, that each property-specific
- 20 mitigation action or community-level mitigation action



1                   could have on the wildfire risk score or  
2                   classification assigned to the property.  
3                   (d) A policyholder or applicant whose wildfire risk score,  
4                   wildfire risk classification, or applicable mitigation discount  
5                   determination is inaccurate, or who believes the insurer failed  
6                   to account for submitted mitigation evidence, may appeal  
7                   directly to the insurer.

12 (f) Upon receipt of an appeal under subsection (d), the  
13 insurer shall:

14 (1) Acknowledge receipt of the appeal in writing within  
15 ten calendar days; and

16 (2) Provide a written reconsideration and decision within  
17 thirty calendar days after receiving the appeal.

18 (g) If an appeal is denied, the insurer shall, upon  
19 request by the commissioner, forward a copy of the appeal and  
20 the insurer's response to the commissioner within the timeframe  
21 required by the commissioner.



## §431:10E-E Benefits and premium reductions for wildfire

10    **risk-preventative measures; disclosures; rate filings.** (a) An  
11    insurer may provide a benefit or premium reduction to a  
12    residential property insurance policyholder for wildfire risk-  
13    preventative measures taken by the policyholder. Preventative  
14    measures include actions that reduce the risk of damage to  
15    property from wildfire, including but not limited to:

16 (1) Using ignition-resistant, fire-resistive, or  
17 noncombustible building materials in construction or  
18 retrofit, including noncombustible roofing or coatings  
19 and exterior glazing for fire protection;  
20 (2) Establishing and maintaining defensible space  
21 landscaping around structures;



- 1 (3) Providing annual confirmation, if requested by the
- 2 insurer, that the insured has employed defensible
- 3 space landscaping around the insured's structures;
- 4 (4) Installing fire alarms or emergency alarm systems;
- 5 (5) Providing adequate access to the property for
- 6 firefighting equipment and authorized emergency
- 7 vehicles;
- 8 (6) Maintaining an adequate outside water source or other
- 9 on-site suppression resources, as determined by rule;
- 10 (7) Complying with local, state, or federal fire
- 11 prevention or community preparedness programs
- 12 recognized by the commissioner by rule; and
- 13 (8) Complying with the International Wildland-Urban
- 14 Interface Code if a building is located in a wildland-
- 15 urban interface area.
- 16 (b) An insurer that provides a benefit or premium
- 17 reduction under subsection (a) shall disclose the benefit or
- 18 premium reduction in writing to the policyholder in a manner
- 19 prescribed by rule of the commissioner.
- 20 (c) An insurer that offers benefits or premium reductions
- 21 under this section shall file the preventative measures



1 agreement and any associated rate impacts with the commissioner  
2 in a manner prescribed by rule.

3 (d) For the purposes of this section:

4 "Benefit" means a rebate, discount, abatement, credit,  
5 reduction of premium, or other advantage to the policyholder  
6 provided under the terms of a preventative measures agreement or  
7 program established by the insurer.

8 "Preventative measures agreement" means an insurer program  
9 or agreement that specifies the preventative measures eligible  
10 for a benefit or premium reduction and any verification  
11 requirements.

12 **§431:10E-F Rules; enforcement; remedies; coordination.**

13 (a) The commissioner shall adopt rules pursuant to chapter 91  
14 to implement this part, including rules that:

15 (1) Establish minimum standards for notices, mitigation  
16 evidence, verification, and appeals;

17 (2) Identify acceptable mitigation certifications and  
18 verification programs;

19 (3) Specify filings required under section 431:10E-C;



4 (5) Establish standardized formats to improve consumer  
5 understanding and comparability.

6 (b) The commissioner may examine and investigate insurer  
7 practices for compliance with this part and may take any action  
8 authorized under this chapter for violations, including orders,  
9 fines, or other administrative remedies authorized by law.

10 (c) The commissioner shall coordinate, as appropriate,  
11 with state and county agencies involved in wildfire  
12 preparedness, fuel reduction, building safety, and emergency  
13 management to align verification standards for mitigation  
14 actions.

15        **\$431:10E-G Reports to the legislature.** (a) No later than  
16        twenty days prior to the convening of each regular session, the  
17        commissioner shall submit a report to the legislature on  
18        implementation of this part, including:

19 (1) Insurer compliance trends and common consumer issues;

20 (2) Aggregate information on appeals, reconsiderations,

21 and outcomes;



8 (b) The report shall not disclose trade secrets or  
9 confidential proprietary information."

10 SECTION 3. Section 431:13-103, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12                     "(a) The following are defined as unfair methods of  
13 competition and unfair or deceptive acts or practices in the  
14 business of insurance:

15 (1) Misrepresentations and false advertising of insurance  
16 policies. Making, issuing, circulating, or causing to  
17 be made, issued, or circulated, any estimate,  
18 illustration, circular, statement, sales presentation,  
19 omission, or comparison that:

20 (A) Misrepresents the benefits, advantages,  
21 conditions, or terms of any insurance policy;



- (B) Misrepresents the dividends or share of the surplus to be received on any insurance policy;
- (C) Makes any false or misleading statement as to the dividends or share of surplus previously paid on any insurance policy;
- (D) Is misleading or is a misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates;
- (E) Uses any name or title of any insurance policy or class of insurance policies misrepresenting the true nature thereof;
- (F) Is a misrepresentation for the purpose of inducing or tending to induce the lapse, forfeiture, exchange, conversion, or surrender of any insurance policy;
- (G) Is a misrepresentation for the purpose of effecting a pledge or assignment of or effecting a loan against any insurance policy;
- (H) Misrepresents any insurance policy as being shares of stock;





1 (3) Defamation. Making, publishing, disseminating, or  
2 circulating, directly or indirectly, or aiding,  
3 abetting, or encouraging the making, publishing,  
4 disseminating, or circulating of any oral or written  
5 statement or any pamphlet, circular, article, or  
6 literature [which] that is false, or maliciously  
7 critical of or derogatory to the financial condition  
8 of an insurer, and [which] that is calculated to  
9 injure any person engaged in the business of  
10 insurance;

#### 11 (4) Boycott, coercion, and intimidation.

12 (A) Entering into any agreement to commit, or by any  
13 action committing, any act of boycott, coercion,  
14 or intimidation resulting in or tending to result  
15 in unreasonable restraint of, or monopoly in, the  
16 business of insurance; or

17 (B) Entering into any agreement on the condition,  
18 agreement, or understanding that a policy will  
19 not be issued or renewed unless the prospective  
20 insured contracts for another class or an



- 1 additional policy of the same class of insurance
- 2 with the same insurer;

**3** (5) False financial statements.

4 (A) Knowingly filing with any supervisory or other  
5 public official, or knowingly making, publishing,  
6 disseminating, circulating, or delivering to any  
7 person, or placing before the public, or  
8 knowingly causing, directly or indirectly, to be  
9 made, published, disseminated, circulated,  
10 delivered to any person, or placed before the  
11 public, any false statement of a material fact as  
12 to the financial condition of an insurer; or

13 (B) Knowingly making any false entry of a material  
14 fact in any book, report, or statement of any  
15 insurer with intent to deceive any agent or  
16 examiner lawfully appointed to examine into its  
17 condition or into any of its affairs, or any  
18 public official to whom the insurer is required  
19 by law to report, or who has authority by law to  
20 examine into its condition or into any of its  
21 affairs, or, with like intent, knowingly omitting



- 1 to make a true entry of any material fact
- 2 pertaining to the business of the insurer in any
- 3 book, report, or statement of the insurer;

**4** (6) Stock operations and advisory board contracts.

5 Issuing or delivering or permitting agents, officers,  
6 or employees to issue or deliver, agency company stock  
7 or other capital stock, or benefit certificates or  
8 shares in any common-law corporation, or securities or  
9 any special or advisory board contracts or other  
10 contracts of any kind promising returns and profits as  
11 an inducement to insurance;

## 12 (7) Unfair discrimination.

20 (B) Making or permitting any unfair discrimination in  
21 favor of particular individuals or persons, or



8 (C) Making or permitting any unfair discrimination  
9 between individuals or risks of the same class  
10 and of essentially the same hazards by refusing  
11 to issue, refusing to renew, canceling, or  
12 limiting the amount of insurance coverage on a  
13 property or casualty risk because of the  
14 geographic location of the risk, unless:

15 (i) The refusal, cancellation, or limitation is  
16 for a business purpose [which] that is not a  
17 mere pretext for unfair discrimination; or  
18 (ii) The refusal, cancellation, or limitation is  
19 required by law or regulatory mandate;

20 (D) Making or permitting any unfair discrimination  
21 between individuals or risks of the same class



1 and of essentially the same hazards by refusing  
2 to issue, refusing to renew, canceling, or  
3 limiting the amount of insurance coverage on a  
4 residential property risk, or the personal  
5 property contained therein, because of the age of  
6 the residential property, unless:

7 (i) The refusal, cancellation, or limitation is  
8 for a business purpose [which] that is not a  
9 mere pretext for unfair discrimination; or  
10 (ii) The refusal, cancellation, or limitation is  
11 required by law or regulatory mandate;

12 (E) Refusing to insure, refusing to continue to  
13 insure, or limiting the amount of coverage  
14 available to an individual because of the sex or  
15 marital status of the individual; however,  
16 nothing in this subsection shall prohibit an  
17 insurer from taking marital status into account  
18 for the purpose of defining persons eligible for  
19 dependent benefits;

20 (F) Terminating or modifying coverage, or refusing to  
21 issue or renew any property or casualty policy or



1 contract of insurance solely because the  
2 applicant or insured or any employee of either is  
3 mentally or physically impaired; provided that  
4 this subparagraph shall not apply to accident and  
5 health or sickness insurance sold by a casualty  
6 insurer; provided further that this subparagraph  
7 shall not be interpreted to modify any other  
8 provision of law relating to the termination,  
9 modification, issuance, or renewal of any  
10 insurance policy or contract;

11 (G) Refusing to insure, refusing to continue to  
12 insure, or limiting the amount of coverage  
13 available to an individual based solely upon the  
14 individual's having taken a human

15 immunodeficiency virus (HIV) test prior to  
16 applying for insurance; or  
17 (H) Refusing to insure, refusing to continue to  
18 insure, or limiting the amount of coverage  
19 available to an individual because the individual  
20 refuses to consent to the release of information  
21 [which] that is confidential as provided in



1 section 325-101; provided that nothing in this  
2 subparagraph shall prohibit an insurer from  
3 obtaining and using the results of a test  
4 satisfying the requirements of the commissioner,  
5 which was taken with the consent of an applicant  
6 for insurance; provided further that any  
7 applicant for insurance who is tested for HIV  
8 infection shall be afforded the opportunity to  
9 obtain the test results, within a reasonable time  
10 after being tested, and that the confidentiality  
11 of the test results shall be maintained as  
12 provided by section 325-101;

13 (8) Rebates. Except as otherwise expressly provided by  
14 law:

15 (A) Knowingly permitting or offering to make or  
16 making any contract of insurance, or agreement as  
17 to the contract other than as plainly expressed  
18 in the contract, or paying or allowing, or giving  
19 or offering to pay, allow, or give, directly or  
20 indirectly, as inducement to the insurance, any  
21 rebate of premiums payable on the contract, or



1                   any special favor or advantage in the dividends  
2                   or other benefits, or any valuable consideration  
3                   or inducement not specified in the contract; or  
4                   (B) Giving, selling, or purchasing, or offering to  
5                   give, sell, or purchase as inducement to the  
6                   insurance or in connection therewith, any stocks,  
7                   bonds, or other securities of any insurance  
8                   company or other corporation, association, or  
9                   partnership, or any dividends or profits accrued  
10                  thereon, or anything of value not specified in  
11                  the contract;

12                  (9) Nothing in paragraph (7) or (8) shall be construed as  
13                  including within the definition of discrimination or  
14                  rebates any of the following practices:

15                  (A) In the case of any life insurance policy or  
16                  annuity contract, paying bonuses to policyholders  
17                  or otherwise abating their premiums in whole or  
18                  in part out of surplus accumulated from  
19                  nonparticipating insurance; provided that any  
20                  bonus or abatement of premiums shall be fair and





1                   individual if the wellness program meets the  
2                   following requirements:

3                   (i) The wellness program is reasonably designed  
4                   to promote health or prevent disease;

5                   (ii) An individual has an opportunity to qualify  
6                   for the reward at least once a year;

7                   (iii) The reward is available for all similarly  
8                   situated individuals;

9                   (iv) The wellness program has alternative  
10                  standards for individuals who are unable to  
11                  obtain the reward because of a health  
12                  factor;

13                  (v) Alternative standards are available for an  
14                  individual who is unable to participate in a  
15                  reward program because of a health  
16                  condition;

17                  (vi) The insurer provides information explaining  
18                  the standard for achieving the reward and  
19                  discloses the alternative standards; and



1 (vii) The total rewards for all wellness programs  
2 under the health care plan do not exceed  
3 twenty per cent of the cost of coverage; and  
4 (F) A benefit or premium reduction provided pursuant  
5 to section 431:10E-E for wildfire risk-  
6 preventative measures, including any benefit or  
7 premium reduction offered under an insurer  
8 program filed with the commissioner in accordance  
9 with section 431:10E-E;

10 (10) Refusing to provide or limiting coverage available to  
11 an individual because the individual may have a third-  
12 party claim for recovery of damages; provided that:  
13 (A) Where damages are recovered by judgment or  
14 settlement of a third-party claim, reimbursement  
15 of past benefits paid shall be allowed pursuant  
16 to section 663-10;  
17 (B) This paragraph shall not apply to entities  
18 licensed under chapter 386 or 431:10C; and  
19 (C) For entities licensed under chapter 432 or 432D:  
20 (i) It shall not be a violation of this section  
21 to refuse to provide or limit coverage



1 available to an individual because the  
2 entity determines that the individual  
3 reasonably appears to have coverage  
4 available under chapter 386 or 431:10C; and  
5 (ii) Payment of claims to an individual who may  
6 have a third-party claim for recovery of  
7 damages may be conditioned upon the  
8 individual first signing and submitting to  
9 the entity documents to secure the lien and  
10 reimbursement rights of the entity and  
11 providing information reasonably related to  
12 the entity's investigation of its liability  
13 for coverage.

14 Any individual who knows or reasonably should  
15 know that the individual may have a third-party  
16 claim for recovery of damages and who fails to  
17 provide timely notice of the potential claim to  
18 the entity, shall be deemed to have waived the  
19 prohibition of this paragraph against refusal or  
20 limitation of coverage. "Third-party claim" for  
21 purposes of this paragraph means any tort claim



1 for monetary recovery or damages that the  
2 individual has against any person, entity, or  
3 insurer, other than the entity licensed under  
4 chapter 432 or 432D;

5 (11) Unfair claim settlement practices. Committing or  
6 performing with [such] a frequency as to indicate a  
7 general business practice any of the following:

8 (A) Misrepresenting pertinent facts or insurance  
9 policy provisions relating to coverages at issue;  
10 (B) With respect to claims arising under its  
11 policies, failing to respond with reasonable  
12 promptness, in no case more than fifteen working  
13 days, to communications received from:

14 (i) The insurer's policyholder;  
15 (ii) Any other persons, including the  
16 commissioner; or  
17 (iii) The insurer of a person involved in an  
18 incident in which the insurer's policyholder  
19 is also involved.

20 The response shall be more than an acknowledgment  
21 that [such] the person's communication has been



received and shall adequately address the concerns stated in the communication;

- (C) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- (D) Refusing to pay claims without conducting a reasonable investigation based upon all available information;
- (E) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- (F) Failing to offer payment within thirty calendar days of affirmation of liability, if the amount of the claim has been determined and is not in dispute;
- (G) Failing to provide the insured, or when applicable the insured's beneficiary, with a reasonable written explanation for any delay, on every claim remaining unresolved for thirty calendar days from the date it was reported;



- 1 (H) Not attempting in good faith to effectuate
- 2 prompt, fair, and equitable settlements of claims
- 3 in which liability has become reasonably clear;
- 4 (I) Compelling insureds to institute litigation to
- 5 recover amounts due under an insurance policy by
- 6 offering substantially less than the amounts
- 7 ultimately recovered in actions brought by the
- 8 insureds;
- 9 (J) Attempting to settle a claim for less than the
- 10 amount to which a reasonable person would have
- 11 believed the person was entitled by reference to
- 12 written or printed advertising material
- 13 accompanying or made part of an application;
- 14 (K) Attempting to settle claims on the basis of an
- 15 application that was altered without notice,
- 16 knowledge, or consent of the insured;
- 17 (L) Making claims payments to insureds or
- 18 beneficiaries not accompanied by a statement
- 19 setting forth the coverage under which the
- 20 payments are being made;



- 1 (M) Making known to insureds or claimants a policy of  
2 appealing from arbitration awards in favor of  
3 insureds or claimants for the purpose of  
4 compelling them to accept settlements or  
5 compromises less than the amount awarded in  
6 arbitration;
- 7 (N) Delaying the investigation or payment of claims  
8 by requiring an insured, claimant, or the  
9 physician or advanced practice registered nurse  
10 of either to submit a preliminary claim report  
11 and then requiring the subsequent submission of  
12 formal proof of loss forms, both of which  
13 submissions contain substantially the same  
14 information;
- 15 (O) Failing to promptly settle claims, where  
16 liability has become reasonably clear, under one  
17 portion of the insurance policy coverage to  
18 influence settlements under other portions of the  
19 insurance policy coverage;
- 20 (P) Failing to promptly provide a reasonable  
21 explanation of the basis in the insurance policy



12 (12) Failure to maintain complaint handling procedures.

13 Failure of any insurer to maintain a complete record

14 of all the complaints that it has received since the

15 date of its last examination under section 431:2-302.

16 This record shall indicate the total number of

17 complaints, their classification by line of insurance,

18 the nature of each complaint, the disposition of the

19 complaints, and the time it took to process each

20 complaint. For purposes of this section, "complaint"



1 means any written communication primarily expressing a  
2 grievance;

3 (13) Misrepresentation in insurance applications. Making  
4 false or fraudulent statements or representations on  
5 or relative to an application for an insurance policy,  
6 for the purpose of obtaining a fee, commission, money,  
7 or other benefit from any insurer, producer, or  
8 individual; and

9 (14) Failure to obtain information. Failure of any  
10 insurance producer, or an insurer where no producer is  
11 involved, to comply with section 431:10D-623(a), (b),  
12 or (c) by making reasonable efforts to obtain  
13 information about a consumer before making a  
14 recommendation to the consumer to purchase or exchange  
15 an annuity."

16 SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ or so  
18 much thereof as may be necessary for fiscal year 2026-2027 for  
19 the department of commerce and consumer affairs to implement the  
20 wildfire risk model transparency and mitigation incentives  
21 framework pursuant to this Act.



1        The sum appropriated shall be expended by the department of  
2 commerce and consumer affairs for the purposes of this Act.

3        SECTION 5. In codifying the new sections added by section  
4 2 and referenced in section 3 of this Act, the revisor of  
5 statutes shall substitute appropriate section numbers for the  
6 letters used in designating the new sections in this Act.

7        SECTION 6. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9        SECTION 7. This Act shall take effect on July 1, 2026.

10

INTRODUCED BY: 



# S.B. NO. 2947

**Report Title:**

Department of Commerce and Consumer Affairs; Insurance; Insurance Commissioner; Wildfires; Risk Scores; Risk Models; Transparency; Mitigation; Rebates; Discounts; Consumer Notice; Appeals; Reports; Appropriation

**Description:**

Requires residential property insurers to disclose wildfire risk scores upon request and at renewal, nonrenewal, and application. Requires insurers using wildfire risk models, catastrophe models, or scoring methods to file model-use information with the Insurance Commissioner and incorporate property-level and community-level wildfire mitigation. Requires insurers to provide mitigation discounts if property-level and community-level wildfire mitigations are not incorporated into risk models. Establishes a standardized notice and an appeal process for wildfire risk scores and mitigation discounts. Authorizes insurers to provide benefits or premium reductions for wildfire risk-preventative measures and clarifies treatment for midterm premium increases and anti-rebate laws. Requires reports to the Legislature. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

