STAND. COM. REP. NO. 3316

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 20
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 20, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LAVA ZONE INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Establish a Lava Zone Insurance Special Fund to subsidize the cost of insurance premiums for properties in lava zones 1 and 2;

(2) Define lava zones 1 and 2; and

(3) Appropriate funds.

Your Committee received testimony in support of this measure from fourteen individuals.

Your Committee received testimony in opposition to this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and two individuals.

Your Committee finds that there are significant insurance affordability challenges for homeowners in high-risk volcanic

areas in the State. This measure would provide support to these homeowners to meet the high cost of insurance premiums.

Your Committee acknowledges the concerns raised in testimony that this measure, in its current form, presents substantial regulatory, fiscal, and market issues.

Accordingly, your Committee has amended this measure by:

(1) Deleting legislative findings regarding the influence of volcanic hazards on the homeowners insurance market for properties in lava zones 1 and 2;

(2) Deleting language that would have established a Lava Zone Insurance Special Fund and the Lava Zone Subsidy Program;

(3) Inserting language that requires the Legislative Reference Bureau to conduct a study to:

(A) Identify mechanisms to bring more insurers into the market to provide additional options for homeowners in lava zones 1 and 2; and

(B) Determine the subsidy required to lower homeowners insurance premium payments for homeowners in lava zones 1 and 2 to rates similar to those prior to the recent downturn in the insurance market;

(4) Inserting a blank appropriation for the Legislative Reference Bureau to conduct the study; and

(5) 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 H.B. No. 20, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 1, 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,

JARRETT KEOHOKALOLE, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 20 HD1	CPN, WAM	03/24/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

Carol Fukunaga

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26