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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance**

**Friday, February 27, 2026
2:00 p.m.**

State Capitol, Conference Room 308 and via Videoconference

**On the following measure:
H.B. 20, H.D. 1, RELATING TO LAVA ZONE INSURANCE**

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department strongly opposes this measure.

H.B. 20, H.D. 1 establishes a Lava Zone Insurance Fund to subsidize homeowners' insurance premiums for low-income homeowners in lava zones 1 and 2 and appropriates general funds for that purpose.

While the Department recognizes the significant insurance affordability challenges faced by homeowners in high-risk volcanic hazard areas, H.B. 20, H.D. 1 raises significant regulatory, fiscal, and market concerns. The Department opposes the bill for the following reasons:

1. Diversion of Regulatory Penalty Revenues.

Section 2 of H.B. 20, H.D. 1, on page 2, lines 19-21, redirects all penalties, fines, and charges under chapter 431, Hawaii Revised Statutes (HRS) away from the Compliance Resolution Fund and into the proposed Lava Zone Insurance Special Fund. Those revenues currently support the Department's regulatory and enforcement functions. Redirecting them to fund a premium subsidy program materially alters the purpose for which those regulatory penalties are collected. Under *Hawaii Insurers Council v. Lingle*, 120 Haw. 51 (2008), the Hawaii Supreme Court addressed the constitutional limitations on diverting insurance-related regulatory assessments and funds to purposes unrelated to their regulatory function. The Court held that certain diversions of insurance-derived funds were impermissible. The structure proposed in H.B. 20, H.D. 1 raises similar concerns because it reallocates enforcement-derived revenues away from regulatory oversight and toward a social subsidy program.

2. Actuarial soundness and market integrity.

Insurance premiums are based on actuarially determined risk. Lava Zones 1 and 2 represent the highest volcanic classifications identified by the United States Geological Survey. Subsidies mask the true cost of risk, may encourage development and continued habitation in areas with the highest expected loss exposure, and create long-term dependence on state support rather than market-based solutions.

3. Precedent and statewide fiscal exposure.

Establishing a premium subsidy for Lava Zones 1 and 2 may create policy precedent for similar requests involving other hurricane, flood, or wildfire risks. The cumulative fiscal impact of hazard-based premium subsidies across multiple perils could be substantial.

4. Creation of a new program outside the Department's regulatory role.

The bill would require the Department to establish and administer an entirely new program, including rulemaking, eligibility determinations, compliance monitoring, and program administration. These are new operational responsibilities outside the Department's current regulatory role and would require additional resources.

Put simply, this proposal will not solve the underlying insurance availability and affordability challenges in Lava Zones 1 and 2. Insurance premiums in these areas are high because the risk of catastrophic loss is extremely high and difficult to insure. Subsidizing premiums does not reduce the underlying hazard, does not lower expected losses, and does not increase insurer willingness to write coverage in the highest-risk areas. Instead, the measure would create ongoing State financial obligation without addressing the root causes of the problem.

The Department recognizes the challenges faced by homeowners in Lava Zones 1 and 2. However, H.B. 20, H.D. 1 raises serious concerns regarding actuarial integrity, fiscal sustainability, incentive effects and the diversion of enforcement revenues needed for the Division's core regulatory mission.

For these reasons, the Department respectfully opposes this measure. Thank you for the opportunity to testify.

TESTIMONY OF LESLIE DOOR

COMMITTEE ON FINANCE
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair

Friday, February 27, 2026
2:00 p.m.

HB 20, HD1

Chair Todd, Vice Chair Takenouchi, and members of the Committee on Finance, my name is Leslie Door, Director of Product, Risk & Regulatory Compliance for Zephyr Insurance Company and Property Chair for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council (HIC) **opposes** this bill. This bill would create a special fund that would subsidize insurance premiums for properties in lava zones 1 and 2 for low-income households.

Although HIC appreciates the intent of this bill which is to assist low-income households, losses as a result from lava are a unique risk, unlike any other catastrophic insured risk such as wildfire, hurricane, earthquake, and flood. Each of these risks other than from lava can be mitigated in some way which would reduce losses from an unforeseen event. Losses from lava *cannot be mitigated*. There is *nothing* that can be done to reduce this risk except to refrain from building in or to move away from lava zones 1 and 2. Lava cannot be stopped or redirected by building a wall, digging a ditch, or by any other means. As a result, if lava comes close enough to a structure, it is *guaranteed to burn it*. This is a known risk, not an unforeseen event which is what insurance typically covers. Since Kilauea has been active for more than 40 years, it is not prudent for the state to subsidize this unique risk.

We believe Hawaii is the only state in the nation that has a mechanism, the Hawaii Property Insurance Association (HPIA) to insure losses because of lava. This affects every property and casualty insurance policy in the state including personal and commercial motor vehicle insurance policies, residential and commercial property, general liability, and workers' compensation, if the HPIA is unable to pay losses. Excess losses would be borne by those who purchase other forms of property and casualty insurance, most of whom have chosen not to live on an active volcano. This back-end assessment may constrict the entire property and casualty insurance market in Hawaii after a large loss that requires an assessment and in addition, may preclude other insurers from entering Hawaii.

For the above-mentioned reasons, we ask that you hold this bill.

Thank you for the opportunity to testify.

HB-20-HD-1

Submitted on: 2/24/2026 7:32:02 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Timothy j Rowan | Malama o Puna | Support | Written Testimony Only |

Comments:

Aloha, My name is Timothy Rowan I'm President of Malama O Puna and President of Black Sand's community Poa. I'm writing in support of HB20 insurance crisis. Homeowners in lava zones 1 and 2 are going to lose their homes when insurance is unaffordable, people can't buy or sell homes , Banks won't loan without insurance, property values tank. The new premiums are unreasonably high. Please support HB20. Mahalo for your consideration Timothy Rowan president Malama O Puna

HB-20-HD-1

Submitted on: 2/24/2026 3:03:20 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Tam Hunt | Individual | Support | Written Testimony Only |

Comments:

As a resident of Puna and a homeowner I strongly support this bill!

HB-20-HD-1

Submitted on: 2/24/2026 4:42:28 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------|--------------------|------------------------|
| Donna R Walker | Individual | Support | Written Testimony Only |

Comments:

February 24, 2026

Donna & Kenneth Walker

Testimony Regarding HB20

Representative G Ilagon

We, Kenneth and Donna Walker, humbly come to testify on behalf of HB20 regarding Lava Zones 1 & 2 Home Owners and Hurricane Insurance Policy Costs most specifically in our case, Hawaiian Beaches, Pahoia.

As previous LERZ victims we lost everything in 2018. Insurance gave us the ability to relocate to an available purchasable residence large enough, that could house us, our 4 grandchildren we are raising, a brother going through chemotherapy a disabled aunty, who passed in 2019 and a displaced daughter and her 3 children. We were met with yet AGAIN having to get HPIA and Hurricane Insurance as we were during the Kalapana Eruption. Because I, Donna could no longer do in home child care due to having HPIA insurance forbidding in home business we had to rely on financing our insurance payments with added interest. There isn't a request process to keep insurance cost down to cover just our mortgage lien holder, it is ALL or NOTHING. Meaning my (Donna) entire yearly social security goes to HPIA and Hurricane Insurance policies. Mandated Insurance's will be not only ours, but many families financial demise.

We feel it is imperative to rectify this insurance quandary as it is creating a HUGE deficit in family budgets. I, Donna am currently looking to go back to work to put food on our table and gas in our cars that we are also mandated by law to cover with insurance. As my husband and my veteran brother are both 100% disabled, I have to make a decision to pay the insurance or land tax, medical deductibles, needs or or put food on the table. Two of our 5 children have elected to leave the state because they can no longer afford to live here with their families.

We thank you for allowing our testimony in order bring this dire situation forefront and to address this urgent insurance crisis to your attention.

Mahalo nui,

Kenneth and Donna Walker, Pahoa, HI 96778

HB-20-HD-1

Submitted on: 2/24/2026 6:21:04 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Gerdine Markus | Individual | Support | Written Testimony Only |

Comments:

I live in the district of Puna where I own my home in lava zone 2. My mortgage company insured me when my insurance company discontinued their business in Hawaii. I could not find another insurance company, so I let it run out. My mortgage company found insurance and tagged it onto my mortgage where as before I shopped around and chose my own insurance. We have no options any more. I understand what I have right now through my mortgage company is a very "bad" insurance, and expensive. It covers the mortgage company's investment, but not much else. I hope by accepting this Bill, we will have options again.

Please accept this bill.

Thank you,

Gerdine Markus, Pahoia, HI

HB-20-HD-1

Submitted on: 2/24/2026 9:29:17 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Lorne McElhone | Individual | Support | Written Testimony Only |

Comments:

Dear Committee Chair and Members,

First and foremost I want to thank you for hearing my testimony and providing this opportunity to express my sincere and urgent support of HB 20 relating to Lava Zone Insurance.

My name is Lorne McElhone and I live in lava zone 2. I am fortunate enough to have found a lender to secure financing for a single family home on a 30 year conventional mortgage. I can attest this is not the same process that you would go through to find a loan in lava zone 3 or higher. By doing nothing today you will lose tax base in Hawaii, specifically in already impoverished areas of Hawaii. Additionally you will preclude future investment in these communities.

By doing nothing today people will lose access to their homeowners insurance. The few lenders that do offer loans will not be able too because no one will finance a property that does not have HOI.

With policy premiums left unchecked companies have already stopped writing new policy. Every year you allow this to continue is more people who could only afford to live in a lava zone 1 or 2 leaving. By supporting HB 20 today you can help your community, that is your job.

Put yourself in our position, what if through no fault of your own, outside of taking the initial risk to purchase in lava zone 1,2, your monthly mortgage payment went up \$800 year over year due to an escrow shortage? Or even worse, your mortgage became due in full next month because you're unable to renew your policy? That is the very real threat people in lava zone 1 and 2 are facing if you continue to do nothing. There's already enough risk let alone having that hang over us. It not only deters people from joining the community but it negatively impacts those already here. Please lend your support for HB20 today. Thank you.

HB-20-HD-1

Submitted on: 2/25/2026 10:34:21 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Todd Reilly Sr | Individual | Support | Written Testimony Only |

Comments:

Aloha, I am completely in support of this measure. My homeowners insurance is 500% higher than three years ago. On a fixed income this is a cost that is near impossible to handle. The extra cost of 5000\$ a year is as if I have a 2nd mortgage. Insurance is 90% of my mortgage additional cost that adds up. I have had to forgo home repairs & dental care. PLEASE HELP!!!

HB-20-HD-1

Submitted on: 2/25/2026 11:43:20 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Charles Oglesby | Individual | Support | Written Testimony Only |

Comments:

Finance Committee
Hawaii State House of Representatives
State Capitol
Honolulu, HI

Dear Chair and Members of the Committee,

I write as a resident of Lower Puna to express my strong support for HB20. This bill to establish a Lava Zone Insurance Special Fund would provide targeted premium subsidies for properties in lava zones 1 and 2 and could offer meaningful relief to homeowners facing rapidly rising insurance costs.

The affected properties were developed with county and state approvals and permits; homeowners purchased and maintained these homes in reliance on those official decisions.

My spouse and I are retired and live on a fixed income. Since major insurers reduced or withdrew coverage in Hawai‘i, our homeowners’ insurance premium has increased more than fivefold. The current cost is unsustainable and puts us at real risk of losing our home or being forced to leave the community we love. We are deeply concerned about becoming part of the state’s homelessness challenge if affordable options are not available. HB20 offers a practical, targeted way to help stabilize premiums for lava-zone homeowners and protect long-term residents like us.

Please support HB20 in the Finance Committee so families and retirees in our communities can remain in their homes and continue contributing to Hawai‘i’s neighborhoods and economy. Thank you for your consideration.

Sincerely,
Amy and Charlie Oglesby
15-706 Puni Mauka Loop S
Pahoa, HI 96778

HB-20-HD-1

Submitted on: 2/25/2026 1:15:32 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Brian Ley | Individual | Support | Written Testimony Only |

Comments:

I strongly approve HB 20.

Brian Ley, lielani estates resident for over 20 years. Hawaii residents need more than one insurance company, to supply resonable insurance rates. HMSA dropped me for filing a claim and now im unable to get even basic home insurance

HB-20-HD-1

Submitted on: 2/25/2026 4:01:03 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| jeanne wheeler | Individual | Support | Written Testimony Only |

Comments:

Aloha: as a Puna resident, I support this bill to help others trying to insure their property - please pass it. Mahalo, JW

HB-20-HD-1

Submitted on: 2/25/2026 6:34:47 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Kari Sochor | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair and Vice Chair,

I strongly support HB20 and respectfully urge your consideration.

HB20 addresses a clear insurance market failure in Hawai‘i’s lava zones. For many residents, insurance is not simply expensive; it is unavailable. This leaves families exposed to total loss and shifts disaster recovery costs onto the State when volcanic events occur.

From a fiscal perspective, this is preventable. FEMA and the National Institute of Building Sciences have found that **every \$1 invested in hazard mitigation saves \$4 to \$6 in future disaster costs**. Expanding insurance access before disaster strikes is far less expensive than paying for emergency shelter, housing assistance, and long-term recovery afterward.

Hawai‘i has seen this firsthand with **the 2018 Kīlauea eruption, which** destroyed more than **700 homes** and required **hundreds of millions of dollars** in public response and recovery. Families without adequate insurance faced prolonged displacement and financial instability. Outcomes that increased public costs and strained housing resources.

HB20 also helps stabilize homeownership and the tax base. Homes without insurance often cannot be financed or rebuilt, suppressing property values and increasing displacement. Preventing displacement is significantly less costly than responding to homelessness and long-term housing insecurity.

I live in a lava zone. Insurance is unavailable, not because we are irresponsible, but because we are excluded. Living without coverage means knowing one event could erase everything with no path to recovery. We stay because this is home, but without insurance, families, my family, are left permanently vulnerable. HB20 offers both fiscal responsibility and basic dignity.

During the 2018 eruption, I was also working as a security guard in my community. I wasn’t just worried about my own home; I was watching families evacuate, protecting properties, and seeing firsthand how quickly people lost everything. Many had no insurance and no clear path forward. That experience made it clear to me that lack of insurance doesn’t just affect individual households, it creates long-term instability that communities and the State ultimately have to absorb.

HB20 is a targeted, preventative investment that reduces future public costs while strengthening community resilience. I respectfully urge your support.

Mahalo for your time and leadership.

HB-20-HD-1

Submitted on: 2/25/2026 9:57:49 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Debra M Javar | Individual | Support | Written Testimony Only |

Comments:

My name is DEBRA Javar and I am a lifetime resident of Hawai'i island. I am FULLY IN SUPPORT OF HB 20. It's not fair to pay a higher insurance for living in certain zones. The entire island is a volcanic island so why should only some of us be penalized? The volcano can come out anywhere. Few years ago, the lava flow was just above Hilo town...making Hilo a high risk area...but they don't pay the higher insurance. The hotels in Waikoloa are on lava fields....but do they pay higher insurance? No. So, the insurance should be evened out so we all pay the same. Thank you for your time.

HB-20-HD-1

Submitted on: 2/25/2026 11:39:08 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ben L. | Individual | Oppose | Written Testimony Only |

Comments:

Shouldn't encourage people to build or live in lava zone 1 and 2.

The state and federal govt are already subsidizing homes that were destroyed in the 2018 eruption. And that land that was leveled by the lava, and sold back to the govt, is now owned by the government and cannot be returned to residential property.

See the "voluntary housing buyout program".

What this bill aims to do is help people pay to live in a natural disaster area, and then what? Have the state buy their homes after they are destroyed by the natural disaster? Makes no sense. throwing tax dollars right into the volcano.

Why should I pay for someone who built their house too close to the volcano?

If you are going to subsidize living on big island, subsidize housing in safer lava zones.

HB-20-HD-1

Submitted on: 2/26/2026 8:26:51 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Joseph Apruzzese | Individual | Support | Written Testimony Only |

Comments:

Aloha,

I am a 30% disabled US military veteran. I currently live in Lava Zone 2 and am retired, relying primarily on Social Security along with a small military disability payment. Last year, Liberty Mutual canceled my homeowners policy, which had cost me \$850 per year. I now have coverage through HPIA at approximately \$6,000 annually — for reduced coverage.

Adding to the hardship, the premium must be paid in full upfront by cash or check, with no installment options or credit card payments available. For those of us living in Lava Zones 1 and 2 on fixed incomes, this creates a severe financial burden.

Any assistance or consideration from the county or state would be deeply appreciated.

Mahalo,

Joe

HB-20-HD-1

Submitted on: 2/26/2026 10:22:00 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Attila C. Denes | Individual | Support | Written Testimony Only |

Comments:

Dear Chair and Members of the House Finance Committee,

I am a resident of Nanawale Estates in Hawai'i Island's District 4. My Representative is The Honorable Greggor Ilagan. I am writing in support of HB-20, "Relating to Lava Zone Insurance."

Homeowners insurance is becoming increasingly expensive and difficult to obtain throughout the country, and our state is certainly no stranger to this trend. Major disasters like the Lahaina wildfire and the 2018 East Rift Zone lava events in the Puna District of Hawai'i Island have certainly contributed to this. In Puna, many homeowners are being effectively priced out of homeownership not because of increased property values, but because of the cost of homeowners insurance, which is currently available to residents of Lava Zones 1 and 2 exclusively through the state-run insurer of last resort, HPIA. We have been informed by HPIA that our homeowners insurance costs will continually increase by approximately 20% per year, in perpetuity. For homeowners with mortgages, such as myself, this will soon pose a serious problem where I will be faced with very difficult economic decisions about whether we can continue to call Pahoia home.

HB-20 proposes a reasonable and fiscally responsible solution by offering subsidies to HUD-classified "low income" homeowners. This proposal avoids the appearance of subsidizing the wealthy, while making a meaningful difference to those of us who are just trying to survive in our beautiful homes.

I respectfully urge the Committee to vote favorably in advancing this legislation.

/s/ Attila C. Denes

Nanawale Estates, Pahoia, Puna District, Hawai'i

HB-20-HD-1

Submitted on: 2/26/2026 9:26:29 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Daysha Mendes | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair and Members of the Committee,

My name is Daysha Mendes, and I am a resident of Hawai'i Island living in a lava zone 2 area. I am writing this testimony in strong support of HB 20, which aims to establish a Lava Zone Insurance Fund to help subsidize the skyrocketing insurance premiums faced by homeowners like me in high-risk volcanic areas.

As a homeowner, I've personally experienced the burdensome challenges of securing affordable property insurance in lava zones 1 and 2. Due to the limited options available, I was forced to accept lender-placed insurance from my mortgage company, which only covers basic property damage and does not provide comprehensive protection against fire or lava-related risks. While this forced policy was technically cheaper than the sole home fire insurance option provided through the State's program for these zones, it still resulted in my overall premium going up significantly compared to what I paid before Universal Properties pulled out of Hawai'i. This sudden increase has strained my household budget significantly, making it harder to afford other essentials in an already high-cost living environment.

Bills like HB 20 are crucial because they address the unique vulnerabilities we face on the islands, where volcanic activity isn't just a distant threat—it's a reality that deters private insurers and leaves residents with exorbitant costs or inadequate coverage. Subsidizing premiums through a dedicated fund would provide much-needed relief, allowing families to maintain their homes without the fear of financial ruin from unaffordable insurance. This isn't just about property—it's about preserving community stability and ensuring that working families can continue to live in affordable areas without being priced out by insurance hikes.

I urge you to pass HB 20 to support homeowners in lava zones and protect our island communities from these escalating insurance burdens. Mahalo for your consideration.

Sincerely,

Daysha Mendes

Hawaiian Beaches/Lava Zone 2

HB-20-HD-1

Submitted on: 2/26/2026 8:43:02 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Debbie Evans | Individual | Support | Written Testimony Only |

Comments:

I support HB20 to establish a Lava Zone Insurance Special Fund to subsidize the cost of insurance premiums for properties in lava zones 1 and 2.

My husband and I moved to Pahoia in 2017. He as a first time resident and myself returning home after a long absence. Pahoia reminded me alot of what Oahu used to be when I lived there so we purchased a modest home, did alot of remodeling, and finally created our "forever home".

Then came the 2018 eruption and the homeowners insurance crisis. Our initial insurance carrier elected not to offer homeowners insurance in Hawaii and began the mad scramble to find insurance covage as required since we have a small mortgage. Working with an insurance broker we were able to get insurance but our rate was such that our mortgage payment more than doubled. The following year we once agian sought out less expensive insurance and thought that we had secured coverage at still a very expensive rate but less than what we had been paying. That fantasy lasted less than a month when we were notified by our new company that they were cancelling our new insurance policy since they were no longer offering coverage in Lava Zone 2. Have I mentioned yet that our property is located 3 lots away from the Lava Zone 2 & 3 boundaries? Our property was orginally designated as Lava Zone 3. Anyway, the search began again for new coverage and only by luck another insurance broker had just conducted a public information meeting on finding homeowners insurance in Lava Zone 2. Maneuvering between our cancelling insurance and our new coverage was a nightmare to say the least. Our mortgage payment is still double what it was with no end in sight of a reduction to what it was or that it won't continue to increase in the future.

We are trying to pay off the mortgage early but have found that unless you are paying it off in full there are all sorts of restrictions and hinderances that make this virtually impossible, all of which is confusing, complicated and frustrated for two kupuna on a fixed income. If we by some miracle can accomplish this then we will be uninsured, not the optimum choice as mature adults that have worked long and hard to secure our future.

Here is our dilemma...Because our mortgage has doubled, if something would happen to my husband, I will not be able to stay in our "forever home". This situation is difficult for my husband to accept since we had planned for if something would happen to either of us, the others future would be secured, meaning he is feeling that he is not providing for me in my future; and for me I will not be able to continue to live in Hawaii, my home.

Simply, subsidization of homeowners insurance cost in Lava Zones 1 & 2 would remove this threat hanging over our heads and would allow us to enjoy the quality of life we were seeking when we moved back to my home.

Your consideration in this matter is greatly appreciated. Mahalo!

HB-20-HD-1

Submitted on: 2/26/2026 8:29:02 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Zahava Zaidoff | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Todd, Vicente Chair, and members of the Committee on Finance,

My name is Zahava "Zee" Zaidoff and I am a resident of Ocean View, HI, and I stand in string supprt of HD20.

I own my home here and it is almost impossible to find anyone to sell us homeowners insurance.

The companies that will sell to us are so expensive, that many of my community members go without insurance.

Lava zones 1 and 2 are the last affordable places on island.

I actually live where I live. I love my community. I wabt to stay in my community and protect my family in case of a natural disaster.

I respectfully ask you to pass this pass and move it forward.

When crisis occurs there are enough things to worry about. Anxiety and fear are high. Thay is all made qorse when there are no funds to rebuild.

Please help our families have peace of mind.

Mahalo!

Zahava Zaidoff

Ovean View, HI

HB-20-HD-1

Submitted on: 2/26/2026 7:57:14 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Trey Livingston | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Trey Livingston. I am a born-and-raised Hawai‘i Island resident and a real estate broker serving South Kona. I strongly support HB20.

On Hawai‘i Island, Lava Zone 2 is one of the last areas where local families can still afford to purchase a home. However, escalating insurance costs in this zone are quickly eliminating that opportunity.

For many working kama‘āina families, Lava Zone 2 represents their final path to homeownership. Yet insurance premiums in these areas can add thousands of dollars annually to the cost of ownership. The cost of coverage up to \$450,000 with HPIA costs more than \$7,000 per year. That is more than \$580 per month just for insurance. This is making homes financially unattainable or pushing debt-to-income ratios beyond lending limits. When insurance costs rival a mortgage payment, families are forced to reconsider whether they can remain in Hawai‘i at all.

I am seeing this firsthand. Insurance instability is becoming a direct push factor driving local families to relocate to more economically competitive states on the continent.

If we are serious about keeping Hawai‘i’s residents here, we must address the insurance crisis — especially in the very communities that remain attainable for locals.

For these reasons, I respectfully urge you to pass HB20.

Mahalo for your consideration.

Trey Livingston

Hawai'i Island Resident

Principal Broker, Livingston Realty

Testimony supporting HB20 from A. Rosanoff, resident of Puna

I own my home in Leilani Estates and have lived there for 22+ years. When we first moved here, we bought Insurance for \$3206 per year, with coverage of \$490,278. In 2019 we were forced to go to HPIA for coverage since no insurance companies were left to take our policy. Coverage with HPIA dropped to \$350,000 at a current, 2026 cost of \$6778 for the year. This forced lower coverage with climbing premium cost is hurting, with us in our personal finances as well as hurting our community stability. How so?

How has this HPIA coverage affected Community Stability in Lava Zones 1 & 2?

- This is the area of Hawaii with the State's lowest median income:
 - MHHI of \$47,483 (Pahoa) is only 54% of state median (\$87,979)
- And the area of State's most affordable housing
- Homeowners cannot afford Property Insurance
- Many Homeowners with mortgaged homes cannot afford their monthly payments – are in danger of foreclosure
- Homeowners are having trouble selling, refinancing their properties

The concept that Lava Zones 1 & 2 present a higher insurance risk than other areas of Hawaii is a MYTH! It is a very low home fire area as reported by the Hawaii Fire Dept, (less than 10 fires in last 5 years) and the number of buildings lost to lava in the past 100 years is less than 1000, including the 700 homes lost in the 2018 lava eruption.

The State of Hawaii did have a very good law that had all insurance companies doing business in the State to take a share of insurance policies in high risk areas. This worked really well until 2014 when reinsurance rates started to climb. The insurance companies in Hawaii went into panic, and in 2015 had that law changed so that the Insurance Commissioner could OK any company NOT providing insurance in any area if they contended that their losses would be great. One person, the commissioner, was given permission, by law, to essentially erase this good law which protected high risk areas in Hawaii. Too bad that law has not been in effect with the Maui Fire and will the Condo insurance disaster on Oahu. At any rate, it seems as if the Lava Zones are being held hostage as the rest of Hawaii tries to deal, poorly, with the new insurance challenges due to climate change and condo association debacles. It's not OK and it's not fair, and it has the potential to ruin an old, traditional Hawaiian community that gives hope and possible homeownership to residents of Hawaii that need affordable housing. HB20 could

really help and I totally support it while the State of Hawaii Legislature and Governor's Office figure out how to go logically, carefully, effectively go forward in this new environment.

Respectfully,

A. Rosanoff