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## **Testimony of the Department of Commerce and Consumer Affairs**

**Before the**  
**Senate Committee on Commerce and Consumer Protection**  
**Tuesday, February 3, 2026**  
**9:31 a.m.**  
**State Capitol, Conference Room 229 and via videoconference**

### **On the following measure:** **S.B. 2777, RELATING TO INSURANCE**

Chair Keohokalole, Vice Chair Fukunaga, 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 offers comments on this bill.

The purpose of this bill is to require property insurers to disclose to the Insurance Division of the Department of Commerce and Consumer Affairs certain information regarding payment of claims for the prior year; require the Insurance Division to retain and make the information publicly available; and establish penalties.

S.B. 2777 applies to any insurer offering "property insurance" as defined under Hawaii Revised Statutes § 431:1-206. As drafted, this definition includes over five-hundred (500) property insurers and at least fifty (50) different products including but not limited to equipment breakdown, commercial multiperil, commercial fire, allied lines, businessowners, homeowners, inland marine, commercial auto, personal auto, earthquake, farm owners, flood, and hurricane.

As a result, the disclosure, reporting, publication, and enforcement requirements proposed in S.B. 2777 would include a wide range of insurers and policy types that vary significantly in structure, claims handling practices, and loss development timelines. Such claims data may not be directly comparable and could require substantial normalization or explanatory context to avoid consumer confusion.

As drafted, the bill appears to apply to “any insurer operating in the State that provides property insurance,” without distinguishing between authorized and surplus lines insurers. If the Legislature’s intent is to include surplus lines insurers, the Department notes that surplus lines insurance operates under a distinct statutory framework in which insurance is placed through licensed surplus lines brokers, and claims are handled by the surplus lines insurer or its designated claims administrator rather than through the broker. Because surplus lines insurers do not have the same direct regulatory reporting relationship with the Department as authorized insurers, additional clarification may be necessary.

Insurers file certain claims-related information pursuant to HRS § 431:2D-111, which is contained in the National Association of Insurance Commissioners (NAIC) Market Conduct Annual Statement. That existing reporting framework is designed to collect standardized claims and market conduct data on a nationwide basis. The Department has concerns that S.B. 2777 as drafted would conflict with certain provision under chapter 431 article 2D, which would have negative implications with Hawaii’s accreditation status with the NAIC.

As drafted, the bill would establish a separate Hawaii-specific claims disclosure requirement, which may result in duplicative reporting obligations and additional administrative burden.

Thank you for the opportunity to testify.

## TESTIMONY OF ALISON UEOKA

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### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

Tuesday, February 3, 2026

9:31 a.m.

### **SB 2777**

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection, my name is Alison Ueoka, President of 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 requires property insurers annually to submit aggregate claims information to the Insurance Commissioner, who in turn must make the information publicly available. The stated purpose of this bill is to provide consumers with access to complete information when deciding between property insurance options.

Aggregate claims payout and approved pending claims data are not indicative of whether an insurer is responsive, financially solvent, or otherwise a good or bad choice by a consumer. Each year, a claim may be anywhere in the process including investigation, or the claim being partially or fully paid. Complex claims may be paid over the course of several years and sometimes, like in the case of the Lahaina Fire, catastrophic losses happen in some years and not others. There are many other factors that affect claims payout numbers for individual insurers such as the type of business they insure, whether they are commercial or residential, market share of business, type of losses that happen, and severity of those losses. Some property claims are inflated or completely or partially excluded under the property policy. In these situations, while an insurer's payment of only a part of the submitted claim may actually represent "full payment" under the terms of the

policy and law, consumers will not know this critical detail. These variables make aggregate claims data less meaningful to an average consumer.

Insurers are presently required to submit substantial information annually as prescribed by the National Association of Insurance Commissioners. In addition, the Insurance Commissioner has broad power over insurers and may make data calls to investigate and issue sanctions to individual insurers when appropriate. Hawaii is a highly regulated state for property and casualty insurance, and many checks and balances currently exist to protect consumers. Finally, the Insurance Division is already tasked with annually providing information to the public on homeowners insurance premiums in the state.

HIC believes this bill will add to the administrative cost and burden to insurers and to the Insurance Division with little or no benefit to consumers. Any additional costs will ultimately be borne by consumers in the price of insurance coverage. We ask that this bill be held.

Thank you for the opportunity to testify.

Hawaii State Legislature  
Senate Committee on Commerce and Consumer Protection

February 3, 2026

*Submitted electronically*

**RE: SB 2777, Payment of Claims; Disclosure; Records; Publication; Violations; Penalties - NAMIC's Written Testimony in Opposition**

Thank you for affording the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to the Senate Committee on Commerce and Consumer Protection on the above captioned bill.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

Although NAMIC and its members support reasonable and appropriate transparency to regulators and consumers, we are opposed to transparency for the mere sake of transparency. The proposed regulatory reporting and consumer disclosure requirements are unnecessary, duplicative, and potentially confusing for consumers. HRS § 431:2D-101 et seq, gives the Insurance Division of the Department of Commerce and Consumer Affairs (HDOI) authority to facilitate insurer data calls when there is a specific need for aggregate insurance marketplace information and the authority to conduct targeted market conduct examinations when the regulator has a need to secure detailed claims information from an insurer. This part of the Insurance Code also gives the commissioner the authority to issue fines and penalties. The proposed legislation, which would require the HDOI to facilitate overly-broad insurance industry-wide claims data calls, even when there is no defined consumer protection regulatory need will create needless administrations costs for insurers and regulatory oversight costs for the HDOI.

Additionally, the HDOI conducts an annual data call that focuses on the costs of property insurance (homeowners, condominium unit owners, and renters). The results of these annual data calls are published on the HDOI website with other information intended to help consumers make informed decisions when shopping for homeowners insurance. ([Insurance Division Consumer Resources](#).) NAMIC believes this information meets the legislative intent set forth in the bill which is to provide consumers with

“access to complete information when deciding between property insurance options, enabling them to make informed decisions...”

NAMIC is concerned the disclosure of claim information is likely to result in consumer confusion and/or mislead consumers. The bill specifically requires disclosure of:

- (1) The total number of claims filed with an insurer;*
- (2) The total number of filed claims that were approved to receive full payment;*
- (3) The total number of filed claims that were approved to receive partial payment;*
- (4) For claims approved for full or partial payment, the total number of those claims for which payments had been fully dispersed at the time of the disclosure; and*
- (5) Any other reasonable disclosure that the commissioner determines appropriate to effectuate this part.*

Specific data about the total number of claims, partial claims payment and full payments is likely to mislead consumers. Initially, the total number of claims a company receives can vary based on market share, market penetration, covered perils, etc. The total number of claims is not an indicator of performance in the market place.

Moreover, claims settlements are based upon a multitude of claims adjusting variables and differing facts, contractual coverage and policy limits. Providing consumers with the type of limited information proposed is likely to confuse consumers. For example, although a “full payment” may sound like the preferred status of a claims settlement, this assumption may be inconsistent with the insurance code and state contract law. Insurers are required by law to comply with the terms and conditions of the insurance code and apply the contract to the specific facts of the claim at hand. If a proper analysis of the totality of the insurance claim dictates that the policyholder not receive a “full payment”, whatever that really means, because such a payment would be inconsistent with the insurer’s regulatory duty to adjust and settle claims based upon established and regulated claims adjusting practices, a partial payment is the legally authorized payment. But the data disclosed by the regulator pursuant to this proposed legislation would not capture this very important information. Therefore, consumers will be presented with only partial information that could mislead the consumer about the quality, accuracy and integrity of an insurance company’s claims settlement practices.

Finally, NAMIC is concerned about the bill’s lack of definitions for terms like “full payment” or “partial payment.” Insurers endeavor to work collaboratively with the HDOL, so the proposed penalties are unnecessary and could result in needless regulatory and legal conflict.

For the aforementioned reasons, NAMIC respectfully requests you “No Vote on SB 2777” – disclosing confusing and misleading claims settlement data-points to the public is not consumer protection.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC's written testimony.

Respectfully,

A handwritten signature in black ink, appearing to read "Christian John Rataj". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christian John Rataj, Esq.  
NAMIC Senior Regional Vice President  
State Government Affairs, Western Region

**LATE**

**SB-2777**

Submitted on: 2/2/2026 9:47:40 AM

Testimony for CPN on 2/3/2026 9:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Danny C Wong	Individual	Support	Written Testimony Only

Comments:

I, Danny C. Wong support SB2777 as an individual citizen.