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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection**

Wednesday, February 25, 2026

9:32 a.m.

State Capitol, Conference Room 229 and via Videoconference

**On the following measure:
S.B. 2952, 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 measure.

S.B. 2952 would require insurers to notify affected policyholders in writing of rate changes approved by the Insurance Commissioner at least sixty days prior to the effective date of the rate change.

The Department appreciates the Legislature's intent to enhance transparency and ensure that consumers are informed of changes that may affect their insurance premiums. However, the Department respectfully notes several practical and regulatory considerations.

- **Rate Filings Reflect Class-Based Changes, Not Individual Premiums.** Rate filings submitted under Hawaii Revised Statutes (HRS) § 431:14-104 are

actuarial submissions that apply to rating classes and underwriting factors across a book of business. They do not determine a specific policyholder's premium in isolation. An individual policyholder's renewal premium is the result of multiple variables, including but not limited to rating territory/location, claims history, coverage selections and limits, deductible levels, credits and surcharges, and changes in risk characteristics. Therefore, a notice issued at the time a rate filing is approved would not necessarily reflect how a policyholder's premium will change. Providing advance notice of an approved rate filing may therefore create confusion, as consumers may reasonably interpret the notice as an individualized premium determination when it is not.

- **Renewal Notices Provide Individualized Premium Information.** Under existing market practice and policy terms, policyholders receive renewal offers that clearly state the renewal premium, effective date, and any change from the prior policy period. This renewal communication reflects the policyholder's actual rating profile at the time of renewal and provides meaningful, individualized information. It is at this point – when the specific premium is known - that the consumer can make an informed decision to renew, modify coverage, or seek alternative options. Requiring an additional notice sixty days prior to the effective date of an approved rate filing may duplicate communications without materially enhancing consumer understanding.

The Department remains committed to transparency, consumer protection, and maintaining a stable and functional insurance market in Hawaii. While clear and meaningful communication is essential, the Department respectfully notes that the value of consumer notice depends not on volume, but on clarity and relevance. In certain circumstances, additional notices that are not tied to individualized premium impacts may inadvertently create confusion rather than enhance understanding, particularly where the information does not reflect a policyholder's actual renewal premium.

Thank you for the opportunity to testify on this measure.

TESTIMONY OF MICHAEL ONOFRIETTI

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Wednesday, February 25, 2026
9:32 a.m.

SB 2952

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection, 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 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 submits **comments** on this bill. While we understand the intent of this bill which is to give more notice to consumers about rate changes in their insurance policy, the requirements in the bill will add costs that will ultimately be borne in premiums. Many consumers today are complaining about the rising cost of personal insurance in Hawaii, and this will only make premiums higher. If the Committee decides to move this bill forward, we ask for the Committee to consider the following amendments:

1. Page 3, lines 5-7, (a), amend. By adding "personal lines" after "affected" and before "policyholders", so (a) would read, "Beginning January 1, 2027, insurers shall notify affected personal lines policyholders in writing of any rate changes approved by the commissioner under section 431:14-104."

2. Page 3, line 9-10, (1), delete. This requires a “clear statement of the new rate...” “Clear statement” is undefined and “the new rate” implies there is only one rate. In auto insurance for instance, there are 7 different rates for each coverage. We believe this information is better captured in item (2) as amended.
3. Page 3, line 12, (2), amend. By adding “and their effective date” to the end of the sentence, we believe a more consumer friendly outcome is achieved, so (2) would read, “The percentage increase or decrease in the rate compared to the prior period and their effective date;”
4. Page 3, line 18, (4), amend. Add the phrase, “the insurance agent,” after “insurer” so that it captures many personal insurance policies that have an insurance agent placing the policy.

Finally, requiring the notice to be sent at least 60 days before the effective date of the rate change will require a separate notice to each policyholder which will add costs to every policy. Most renewal notices are sent between 35-45 days prior to the policy expiration date, and this does not coincide with the 60-day requirement. Although the bill allows for electronic notice, this is not widely used by policyholders, for example, one local insurer states that 35% of their policyholders will not use email.

Thank you for the opportunity to testify.

Hawai'i State Legislature
Senate Committee on Commerce and Consumer Protection

February 23, 2026

Filed via electronic testimony submission system

RE: SB 2952, Insurance; Rate Changes; Notice - NAMIC's Testimony in Opposition

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the February 25, 2026, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

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.

NAMIC's members appreciate the importance of informed consumer choice and embrace consumer transparency when it is helpful, reasonably practical and cost-effective. However, when looking at transparency, public policy makers should be cautious of legislation that is counter-productive, confusing to consumers, and detrimental to the competitive health of the insurance marketplace. NAMIC is opposed to SB 2952 because it would establish a number of expensive, impractical, and unworkable mandates that will provide little benefit to consumers. We respectfully submit the following comments:

- 1) Although we appreciate the sponsors' desire ensure consumers have what they need to make informed decisions about their insurance needs and compare insurance options, we are concerned SB 2952 exceeds that laudable public policy objective. NAMIC questions the value of providing customers with a percentage increase or decrease. No other industry or consumer product in the marketplace is required to provide this information.
- 2) Experience teaches us all that no one wants to pay more for anything in life, especially for things they didn't expressly request and that don't really benefit them. NAMIC is not aware of any evidence that would suggest that the vast majority of consumers want, need or would even read a new consumer disclosure that lists percentage changes in their rates.

- 3) NAMIC is also concerned that compliance with all the provisions of this bill could lead to consumer confusion, especially in regard to disclosing “actuarial considerations” that impacted the rate increase. Arguably, this could require disclosing complex data sets, mathematical computations and analytical formulas that would require years of subject matter expertise to even understand – not to mention the disclosure of protected trade secret information.
- 4) NAMIC is concerned that the sixty-days consumer notice requirement is unworkable from an administrative standpoint and may conflict with other parts of Hawaii Insurance Law requiring specific consumer notices for cancellations and non-renewals. This new notice requirement may confuse the consumer as to the status of their policy coverage and lead to consumer notice overload. Auto policies are generally renewed every six months, for example, which would result in a consumer receiving multiple notices a year. If the consumer has other products with the insurance company, the number of notices increases.
- 5) NAMIC is also concerned that the bill may adversely impact pro-consumer market competition which helps consumers secure varying coverage options and price-points. Competition is a key element of a stable insurance market. The proposed notice seems to include information which may be confidential, proprietary or protected as intellectual property rights trade secrets. Requiring insurers to disclose this type of information could have a chilling effect upon competition to the detriment of consumers.
- 6) We believe that the scope of the bill is unnecessarily broad in nature. The consumer notice requirement should be limited to personal lines products (e.g., auto, homeowners, renters). The commercial insurance transaction, by its very nature, involves a lot of discussions between the insurance producer and a professional sophisticated policyholder so many rating/underwriting questions and pricing issues are already routinely discussed by the parties.
- 7) NAMIC also believes that the proposed consumer notice should be limited to the following situations, so as to maximize the consumer value of the notice and reduce unnecessary administrative costs for insurers and policyholders:
 - The consumer notice should only be required and provided at *the written request of the consumer and only for material changes to the amount of the total premium* (e.g., 10% premium increase or greater).
 - Insurers should not be required to provide information about policy or coverage changes which were initiated by the consumer and/or premium increases resulting from an insurer’s base premium increase or normal market condition increases.
 - The notice should be general and list the principal factors that might have impacted the underwriting decision and/or the rate for the specific customer.
 - The notice should only require inclusion of the dollar amount of premium increase at renewal based upon comparing the new renewal premium amount to the previous term renewal premium amount.

In closing, NAMIC appreciates that some policymakers believe that more transparency is always beneficial and that more consumer disclosure will help consumers understand their premium increases. NAMIC's experience is that most companies and insurance producers will respond to questions from policyholders about changes in their rates. A law that mandates this type of information when not requested may confuse or frustrate consumers.

For the aforementioned reasons, **NAMIC respectfully requests your NO VOTE on SB 2952 – burdening consumer with unnecessary and unhelpful disclosure notices is not consumer-friendly and isn't pro-consumer protection.**

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

Respectfully,



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



To: The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: SB 2952 – Relating to Insurance
APCIA Position - **Opposition**

Date: Wednesday, February 25, 2026
9:32 a.m., Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is **opposed** to SB 2952, which would require insurers to issue consumer notices for “rate changes approved by the commissioner.”

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.

The APCIA shares the following reasons for our opposition:

1) **A Department-Published List Would Be More Effective for Consumers**

SB 2952 requires each insurer to send individual notices to every insured following any rate approval. This approach is both inefficient and unlikely to accomplish the bill’s stated transparency goals.

A more logical and consumer-friendly option would be for the Department of Commerce and Consumer Affairs (DCCA) - Insurance Division to publish, in a single public location, a list of approved rate filings and approved percentage changes. Consumers could consult these at any time, similar to how many regulatory agencies already maintain publicly accessible rate databases.

Additionally, under SB 2952 as written, insurers would be required to pay to send unsolicited notifications that are likely to be disregarded or confused with routine marketing mail. APCIA has consistently supported a more targeted approach in

which insurers provide this information when requested by the insured, rather than mailing mandatory notices that most consumers neither expect nor seek.

The intent language of the bill references the State of Washington. It should be noted that the Washington Office of the Insurance Commissioner is considering delaying and possibly eliminating the third phase of the disclosure due to the extremely costly compliance burden the requirements place on insurers and the limited value to consumers.

2) **The Bill Is Vague and Operationally Unclear**

SB 2952 does not specify what type of notice must be provided. As drafted, it is unclear whether:

- The requirement is for a generic, static notice to all policyholders simply stating that the Department has approved a certain rate change (e.g., “The Department has approved a 10% rate increase due to claims experience and inflation.”), or
- The bill intends to require policyholder-specific notices that detail each individual insured’s rate or premium impact.

The latter interpretation would be a significant—and untenable—departure from existing practice and would require insurers to create individualized disclosures for every policyholder affected by any filing. That level of specificity is not only burdensome but would also be duplicative of other required disclosures already provided at renewal.

If SB 2952 is intended to mandate policyholder-specific notices, we must express our strong opposition.

3) **SB 2952 Creates an Inconsistent and Unusual Notice Requirement**

The bill is also unique in that it requires notices only for **rate changes approved by the commissioner**, rather than for premium changes generally. Premium changes may occur due to underwriting, exposure changes, coverage selections, discounts, surcharges, or other non-rate factors—all of which already appear on renewal documents that consumers receive.

By requiring disclosure only of rate-driven changes, the bill creates an incomplete and potentially misleading snapshot of what drives a consumer’s overall premium. This selective disclosure could confuse consumers rather than help them understand their insurance costs. It should also be stressed that consumers should shop around for the insurance that best serves their needs.

For these reasons, APCIA requests the committee to **HOLD** this bill in committee.



SB-2952

Submitted on: 2/24/2026 10:57:28 PM
Testimony for CPN on 2/25/2026 9:32:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|-------------------|
| Jackie Keefe | Individual | Support | Remotely Via Zoom |

Comments:

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

My name is Jackie Keefe and I am a community advocate from Lahaina. I am in **strong support of SB2952**, which requires insurance companies provide direct written notice to policyholders about rate increases or significant policy changes.

This seems like something that should be the norm, but unfortunately we must legislate for certain [most?] industries to do the right thing. In an era when disasters are accelerating and insurance companies are pulling out of endless locations, it is more important than ever that we protect Hawai‘i consumers!

As an advocate for Maui Wildfire survivors, I have learned alongside my community members that rebuilding after a disaster does not happen quickly. The clean-up took time. Architects take time. Surveys take time. Permits take time. Contractors are limited. Materials must be shipped. Costs fluctuate.

Families are displaced for years, not months.

Yet many homeowners insurance policies require policyholders to complete rebuilding within short time frames in order to collect full replacement cost value.

When those deadlines expire, families can lose benefits — not because they failed to act, but because rebuilding in Hawai‘i takes longer than insurance timelines allow.

SB 2952 corrects that injustice. SB 2952 provides a minimum of 36 months to recover full replacement cost value after a declared disaster; allows reasonable six-month extensions for good cause; recognizes permit delays, labor shortages, and supply chain disruptions; provides one year after rebuilding to recover full replacement cost for personal property; requires insurers to clearly disclose these timelines.

Importantly, this bill does not increase policy limits. It does not expand coverage. It simply ensures that policyholders have realistic time to access the benefits they already paid for.

Recovery from a catastrophic loss in Hawaii can take five years or more. Insurance policy deadlines should reflect that reality. SB 2952 promotes fairness, transparency, and long-term community resilience. Please **pass SB2952**.

Mahalo for the opportunity to testify,

Jackie Keefe, Lahaina

SB-2952

Submitted on: 2/20/2026 7:33:40 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| Johnnie-Mae L. Perry | Individual | Support | Written Testimony Only |

Comments:

I, Johnnie-Mae L. Perry, Support

2952 SB RELATING TO INSURANCE.