
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 the cost of property
2 insurance continues to increase in light of changing market
3 conditions, including climate change and climate-related
4 impacts.

5 The legislature also finds that it is in the interest of
6 consumers to have access to complete information when deciding
7 between property insurance options, enabling them to make
8 informed decisions in an increasingly expensive marketplace.

9 Accordingly, the purpose of this Act is to:

10 (1) Establish a disclosure requirement for property
11 insurers to provide certain information concerning the
12 insurer's payment of claims in the previous calendar
13 year; and

14 (2) Provide for enforcement, fines, attorneys' fees, and
15 costs for violations of the disclosure requirement.



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

4 "PART . PAYMENT OF CLAIMS DISCLOSURES

5 §431:10E-A Payment of claims disclosure. (a) Any
6 authorized insurer operating in the State that sells, solicits,
7 or offers coverage under a policy for insurance against loss of
8 or damage to real property shall provide on request, subject to
9 subsection (b), the following information relating to policies
10 covering commercial and residential real property within the
11 State for the period of January 1 through December 31 of the
12 previous year:

- 13 (1) The total number of claims open at the beginning of
14 the period;
- 15 (2) The total number of claims opened during the period;
- 16 (3) The total number of claims closed with payment during
17 the period;
- 18 (4) The total number of claims closed without payment
19 during the period; and
- 20 (5) The total number of claims open at the end of the
21 period.

1 (b) The authorized insurer shall provide the information
2 identified in subsection (a):

3 (1) To a person to whom any offer to sell or renew is
4 made;

5 (2) Concurrently with an offer to sell or renew; and

6 (3) In a manner that is clearly and conspicuously
7 displayed;

8 provided that the information to be provided shall be limited to
9 each policy type included in the offer to sell or renew.

10 (c) For the purposes of this section, "clearly and
11 conspicuously" means presented in a manner that is readily
12 noticeable, readable, and understandable to a person to whom
13 applicable information is provided.

14 **§431:10E-B Violations.** (a) Failure to provide the
15 information required pursuant to section 431:10E-A shall
16 constitute a violation of this part. Upon determination by the
17 insurance division that a violation has occurred, the authorized
18 insurer may be fined not more than \$1,000 per violation.

19 (b) An authorized insurer in violation of this part shall
20 be responsible for any attorneys' fees and costs incurred by the
21 department of commerce and consumer affairs or the attorney



1 general to bring an administrative or civil action to enforce
2 this part.

3 (c) An authorized insurer in violation of this part may be
4 subject to any other administrative or civil action, as set
5 forth under any relevant part of this chapter."

6 SECTION 3. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 4. This Act shall take effect on July 1, 2050.



S.B. NO. 2777
S.D. 1

Report Title:

DCCA; Insurance Division; Property Insurance; Payment of Claims;
Disclosure; Violations; Penalties

Description:

Requires authorized property insurers to disclose certain
information regarding payment of claims for the previous year.
Establishes penalties. Effective 7/1/2050. (SD1)

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not legislation or evidence of legislative intent.*

