

STAND. COM. REP. NO. 1196-26

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 1721

H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1721, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to clarify insurance, indemnification, and certain certificate of occupancy requirements for purposes of expedited permits.

Your Committee received testimony in support of this measure from Housing Hawai'i's Future; Grassroot Institute of Hawaii; Maui Chamber of Commerce; American Institute of Architects Hawai'i State Council; American Council of Engineering Companies of Hawaii; Akala Consulting LLC; and two individuals. Your Committee received testimony in opposition to this measure from the Plumbers and Fitters UA Local 675. Your Committee received comments on this measure from one individual.

Your Committee finds that unclear insurance, indemnification, and certification requirements within the State's expedited permitting framework have created uncertainty for design professionals and hindered participation in housing-related projects. These ambiguities have raised concerns about exposure to liabilities that exceed commercially insurable limits, contributing to delays in advancing needed residential

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development. Your Committee believes that clarifying these statutory requirements will give design professionals greater confidence to participate in the permitting process and support the timely delivery of housing across the State.

Your Committee has amended this measure by:

- (1) Clarifying the insurance requirements applicable to licensed professionals participating in the expedited permitting process by:
 - (A) Specifying that the requirement to name the State and county as additional insureds applies for the commercial general liability policy;
 - (B) Reducing the required amount of professional liability insurance coverage from \$2,000,000 to \$1,000,000, consistent with prevailing industry practices; and
 - (C) Revising the coverage period language to clarify that licensed professionals are required to maintain professional liability insurance that provides coverage for claims arising out of the completed project, so long as the claim is first made and reported in accordance with the terms of the policy during the period allowed under law;
- (2) Narrowing the scope of the indemnification provision to clarify that a licensed professional's obligation to indemnify and hold harmless the State and county applies only to the extent caused by the licensed professional's negligent acts, errors, or omissions; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1721, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1721, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



