

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 1166  
S.D. 2  
H.D. 1

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

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1166, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide a new, specific cause of action for persons and insurers to seek damages against a responsible party for harms resulting from climate disasters, extreme weather attributable to climate change, and long-term changes in the climate system; and
- (2) Require insurance rates to account for any proceeds from subrogation or civil claims against a responsible party.

Your Committee received testimony in support of this measure from the Polluters Pay Hawai'i Coalition; Center for Climate Integrity; Advisory Committee of Polluters Pay Hawai'i Coalition; Kūpuna for the Mo'opuna; Kona Indivisible; 350Hawaii.org; Earthjustice; Kauai Climate Action Coalition; Hawaiian Council; Our Hawai'i; Green Party of Hawaii; Free Access Coalition; Sierra Club of Hawai'i; Climate Protectors Hawaii; Hawai'i Appleseed Center for Law & Economic Justice; and numerous individuals. Your



Committee received testimony in opposition to this measure from the Hawaii Association for Justice and American Petroleum Institute. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Department of the Attorney General.

Your Committee finds that climate-related disasters and extreme weather events have imposed growing costs on property owners and insurers, placing upward pressure on property insurance premiums and threatening the affordability and availability of coverage. Your Committee further finds that when insurers and injured parties are unable to recover losses from responsible parties, those costs are ultimately shifted to policyholders. Allowing for such recovery promotes a fairer allocation of costs and helps align insurance pricing with actual risk. This measure advances accountability for climate-related harms while supporting market stability and protecting policyholders from disproportionate financial burdens.

Your Committee has amended this measure by:

- (1) Deleting the authority for parties other than Hawaii Property Insurance Association and any private insurance company to bring an action under this measure;
- (2) Specifying that the Hawaii Property Insurance Association and any private insurance company may bring a direct civil action against responsible parties for the claim payments distributed by the Association or an insurance company to a policyholder for damages resulting from climate disaster or extreme weather or other event attributable to climate change;
- (3) Specifying from the year 1950 as the beginning of the time frame where a responsible party can be considered as liable for the damages contemplated under this measure;
- (4) Deleting the requirement that the Insurance Division consider proceeds collected from such actions as part of the ratemaking process;
- (5) Inserting a definition of "qualifying damages" to mean claim payments distributed by the Hawaii Property



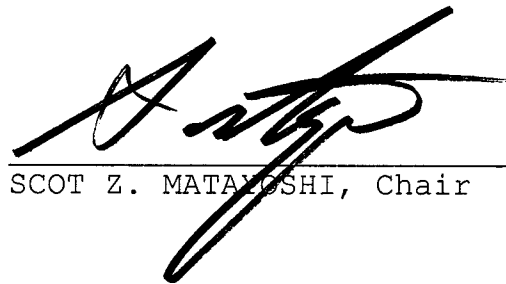
Insurance Association or an insurance company to a policyholder for damages resulting from a climate disaster or extreme weather or other event attributable to climate change, to ensure that those entities have standing to bring an action;

- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Judiciary & Hawaiian Affairs, should it deliberate on this measure, to examine whether insurance companies are authorized to pursue subrogation claims under section 663-10, Hawaii Revised Statutes, in light of recent Hawaii Supreme Court decisions interpreting that statute.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1166, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



SCOT Z. MATAYOSHI, Chair



