

Honolulu, Hawaii

MAR 30 , 2026

RE: S.B. No. 2948
S.D. 2
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 S.B. No. 2948, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE FRAUD,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit certain solicitation and inducement practices relating to insurance claims;
- (2) Establish disaster-related insurance fraud offenses;
- (3) Broaden the scope of the offense of insurance fraud and the acts that constitute insurance fraud;
- (4) Clarify the penalties for the offense of insurance fraud;
- (5) Enhance the capabilities and operations of the Insurance Fraud Investigations Branch, including reporting requirements and the use of fraud analytics;
- (6) Reiterate protections for insurance fraud whistleblowers; and



- (7) Appropriate funds to support insurance fraud investigations.

Your Committee received testimony in support of this measure from the National Insurance Crime Bureau and the Hawaii Insurers Council. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs' Insurance Division and Alliance for Responsible Consumer Legal Funding.

Your Committee finds that insurance fraud imposes significant financial costs on policyholders, insurers, and the public; undermines confidence in the insurance system; and is particularly prevalent following declared emergencies and natural disasters. Your Committee further finds that evolving and coordinated fraud schemes require modernized enforcement tools, clearer statutory prohibitions, and enhanced investigative and prosecutorial authority. This measure strengthens the State's insurance fraud prevention and enforcement framework.

Your Committee has amended this measure by:

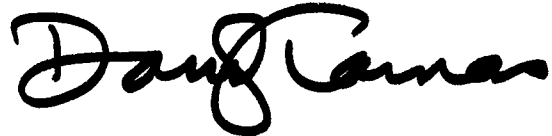
- (1) Clarifying the definition of "litigation financing agreement";
- (2) Defining the terms "encourages", "inflated damages", and "unverified information";
- (3) Clarifying that the provisions related to insurance fraud do not apply to the practice of law consistent with the Hawaii Rules of Professional Conduct maintained and enforced by the Hawaii Supreme Court;
- (4) Consolidating language concerning the prohibition on requiring or inducing the execution of a post-loss assignment of insurance benefits or rights as a condition of receiving disaster-related services;
- (5) Clarifying that the advertising and solicitation restrictions during emergencies also applies to coercive conduct and that the prohibition constitutes insurance fraud;



- (6) Clarifying that a business entity may be held additionally liable for insurance fraud committed by its officers, employees, agents, or contractors; and
- (7) 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 S.B. No. 2948, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2948, S.D. 2, H.D. 2.

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



DAVID A. TARNAS, Chair



Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: <i>SB2948 HD2 HD1</i>	Committee Referral: <i>CPC, JHA, FIN</i>	Date: <i>3/24/2026</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. BELATTI, Della Au	✓			
4. COCHRAN, Elle	✓			
5. HASHEM, Mark J.	✓			
6. KAHALOA, Kirstin	✓			
7. SAYAMA, Jackson D.				✓
8. TAKAYAMA, Gregg	✓			
9. GARCIA, Diamond		✓		
10. SHIMIZU, Garner M.		✓		
TOTAL (10)	<i>7</i>	<i>2</i>	<i>0</i>	<i>1</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				