

STAND. COM. REP. NO. **2395**

Honolulu, Hawaii

**FEB 19 2026**

RE: S.B. No. 2948  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2948 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the scope of insurance fraud and certain offenses;
- (2) Augment offenses by contractors and insurers during a declared emergency;
- (3) Clarify penalties for the offense of insurance fraud;
- (4) Clarify the capabilities and operations of the Insurance Fraud Investigations Branch, including the annual report to the Legislature and the protection of sensitive information;
- (5) Add protection for insurance fraud whistleblowers;
- (6) Authorize the Insurance Commissioner to establish a centralized database for authorized agencies to track insurance fraud data; and



(7) Appropriate funds.

Your Committee received testimony in support of this measure from the American Property Casualty Insurance Association.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, National Association of Mutual Insurance Companies, and Alliance for Responsible Consumer Legal Funding.

Your Committee finds that insurance fraud raises costs for consumers and businesses, distorts the insurance market, and diminishes trust in a system intended to provide financial protection in times of hardship. Your Committee further finds that insurance fraud can often be targeted at vulnerable individuals and overwhelmed systems. This measure would strengthen the State's insurance fraud enforcement and oversight capabilities to safeguard consumers and reduce fraud risk.

Your Committee has amended this measure by:

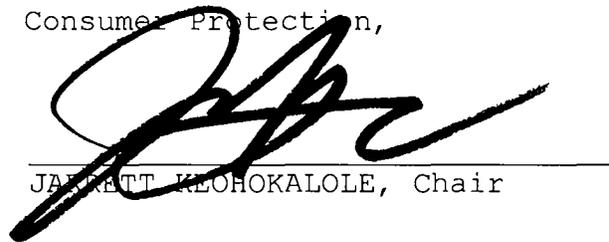
- (1) Deleting the definitions of "claims harvesting" and "post-loss assignment abuse" to avoid overlap with existing statute;
- (2) Deleting language that would have enabled the National Council of Insurance Legislators to access the centralized insurance fraud database;
- (3) Inserting language that clarifies disclosures on the database shall adhere to chapter 92F, Hawaii Revised Statutes;
- (4) Inserting language that clarifies that an insurance professional who reasonably relies on information from a third-party shall not be found to have knowingly omitted material facts;
- (5) Deleting language that would have changed the value threshold for violations and restoring existing statutory language;



- (6) Deleting language that would have required the Insurance Commissioner to require certain contractors to maintain proof of bonding or financial responsibility as a condition of engaging in insured contracting activity and instead inserting language that clarifies that the Insurance Commissioner may coordinate with certain authorities to assure contractor financial responsibility;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

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



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JANETT KEOHOKALOLE, Chair



