

Honolulu, Hawaii

APR 09 , 2026

RE: S.B. No. 2960
S.D. 1
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. 2960, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow policyholders at least thirty-six months following a loss due to a declared disaster or emergency to submit documentation to recover the full replacement cost value of a covered dwelling or other structure;
- (2) Offer policyholders six-month extensions of the thirty-six-month period for good cause;
- (3) Allow policyholders twelve months following the completion of the repair, rebuilding, or replacement of a covered dwelling or other structure to submit documentation to recover the full replacement cost value of covered personal property; and
- (4) Require homeowners insurers to give timely notice to policyholders to explain the relevant time frames and opportunities for extensions.



Your Committee received testimony in support of this measure from Kaibigan ng Lāhaina; United Policyholders; and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council; National Association of Mutual Insurance Companies; and State Farm. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and American Property Casualty Insurance Association.

Your Committee finds that homeowners affected by declared disasters and emergencies often face prolonged and unavoidable delays in rebuilding due to labor shortages, permitting timelines, supply chain disruptions, and infrastructure constraints. Your Committee further finds that existing replacement cost recovery timelines in property insurance policies may not adequately reflect these realities, increasing the risk that policyholders lose benefits despite acting in good faith. This measure promotes consumer protection during the disaster recovery process by establishing minimum time frames to recover full replacement cost value, while allowing extensions for good cause and requiring clear notice to policyholders.

Your Committee has amended this measure by:

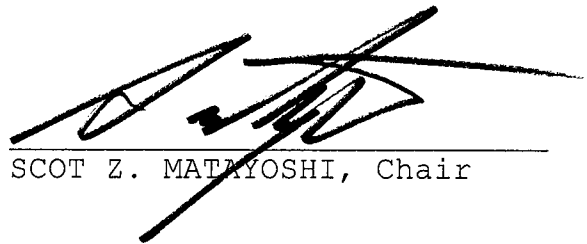
- (1) Inserting a definition of "declared state of emergency" and specifying that the requirements under this measure apply to losses to structures as a result of a declared state of emergency;
- (2) Clarifying the definition of "good cause" to include that the policyholder was acting in good faith and with reasonable diligence when the policyholder encountered circumstances beyond the control of the policyholder;
- (3) Reducing from thirty-six months to twenty-four months the period for which the policyholder may submit documentation and collect the full replacement cost value;
- (4) Clarifying that the amount a policyholder may collect is subject to the policy limit and deleting language that may be construed to require homeowners insurers to pay amounts in excess of the agreed policy limits;



- (5) Reducing the number of six-month extensions that are required to be provided from four to two;
- (6) Specifying that a notice of the replacement cash value time frames must be provided no later than thirty days after a claim has been made;
- (7) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (8) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2960, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2960, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



SCOT Z. MATAYOSHI, Chair



