

STAND. COM. REP. NO.

2393

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 2961
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. 2961 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require homeowners insurance policies to permit an insured who sustains a total loss to apply additional living expenses benefits toward the purchase or lease of a housing unit to serve as the insured's temporary primary residence;
- (2) Require insurers to pay an advance of at least four months of additional living expenses benefits after a total loss to an insured's primary dwelling caused by a covered peril that occurred pursuant to a state of emergency;
- (3) Require homeowners insurance policies to provide additional living expenses benefits for a minimum of thirty-six months in the event of a total loss that occurred during a state of emergency; and
- (4) Provide for extensions of additional living expenses benefits under certain conditions.



Your Committee received testimony in support of this measure from one individual.

Your Committee received testimony in opposition to this measure from the National Association of Mutual Insurance Companies.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and one individual.

Your Committee finds that the State is uniquely affected by natural disasters and faces many challenges during the recovery process, particularly in relation to property insurance and additional living expenses benefits claims. This measure would provide greater certainty for insureds in the State in the event of a total loss to their home as a result of natural disasters by clarifying the conditions for additional living expenses benefits payments.

Your Committee has amended this measure by:

- (1) Deleting language throughout the measure that would have allowed an insured to use additional living expenses benefits to purchase a housing unit;
- (2) Inserting language that clarifies that the measure's provisions apply when a state of emergency has been declared;
- (3) Clarifying insurers shall have ten business days, rather than seven calendar days, to issue an advance payment to an insured, upon request;
- (4) Inserting language that clarifies that an advance payment of additional living expenses benefits does not alter other terms or conditions of the additional living expenses benefits payment schedule;
- (5) Inserting language that clarifies that an insurer shall not be required to alter the terms and conditions of the insuring agreement during an extended duration period;



- (6) Amending section 1 to reflect its amended purpose;
- (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. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2961, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALOLE, Chair



