

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce and Consumer Protection  
Wednesday, March 18, 2026  
9:30 a.m.  
Via Videoconference and  
Conference Room 229**

**On the following measure:  
H.B. 1511, H.D. 2, RELATING TO CONSUMER PROTECTION**

Chair Keohokalole and Members of the Committee:

My name is Radji Tolentino and I am an Enforcement Attorney with the Department of Commerce and Consumer Affairs' (DCCA) Office of Consumer Protection (OCP). The Department supports this bill.

The purposes of this bill are : (1) to prohibit entities from distributing unsolicited mail or electronic mail that employs high pressure tactics or is reasonably likely to cause a consumer to believe that the sender is affiliated with another entity that the sender is not actually affiliated with under certain circumstances; and (2) to make contracts that fail to meet disclosure requirements voidable at the option of the consumer.

This bill targets the use of unsolicited mailers or emails that employ urgent, official-sounding language to create the false impression that a manufacturer's warranty or mortgage protection is expiring, or a government license or registration needs to be renewed immediately. These predatory tactics are designed to pressure consumers into

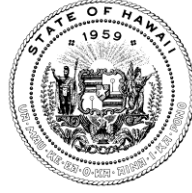
purchasing expensive service contracts by mimicking the appearance of correspondence from an original manufacturer, dealer or lender. This bill requires senders to be transparent about their identity, targeting companies that use correspondence that mimics correspondence from a consumer's mortgage lender, the DMV, or government agencies.

Although it is already unlawful to mislead consumers in a manner that is deceptive or unfair, this bill requires disclosures about the sender's identity and affiliation: all solicitations must include a clear statement in bold, 14-point type explaining that the sender is **not** affiliated with those entities, the offer is completely optional, and the mail is a solicitation rather than a bill. By including a provision that makes contracts voidable if these disclosures are missing, and requiring full refunds to consumers for violations, this bill creates new remedies that have the potential to deter misleading mail and email solicitations.

We appreciate the provisions relating to government licensure and registration on page 4, lines 6 to 15. OCP has received consumer complaints about mailers that closely resembled communications from the DCCA's Business Registration Division and offered, for a fee, to submit annual registration renewals on the recipient's behalf. After looking into the matter, the recipients discovered they could complete the renewal directly with the DCCA without paying the service fees advertised in the mailer.

This bill would make Hawaii part of a growing movement of states attempting to curb aggressive mail solicitations. States such as Illinois and California have already enacted similar laws to stop deceptive "final notice" mailers from targeting their residents. These laws have proven effective in distinguishing legitimate businesses from those that rely on consumer confusion to generate sales. H.B. 1511, H.D. 2 aligns Hawaii with these established standards.

Thank you for the opportunity to testify on this bill.



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**Before the  
Senate Committee on Commerce and Consumer Protection  
Wednesday, March 18, 2026  
9:30 a.m.  
State Capitol, Conference Room 229 & via Videoconference**

**On the following measure:  
H.B. 1511, HD2, RELATING TO CONSUMER PROTECTION**

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this bill.

The purpose of this bill is to prohibit entities from distributing unsolicited mail or electronic mail that employs high pressure tactics or is reasonably likely to cause a consumer to believe that the sender is affiliated with another entity that the sender is not actually affiliated with and the entity is asking the recipient to pay for goods, services, or forms of legal authorization, unless certain disclosures are met and make contracts that fail to meet disclosure requirements voidable at the option of the consumer. The effective date is July 1, 3000.

The Insurance Division supports the initiative to establish a framework and elucidate acceptable practices in order to safeguard the consumers' best interests so they can engage in clear, informed, and intentional decision-making regarding any home and vehicle warranties.

Thank you for the opportunity to testify.



**LATE**

To: The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair

From: Bill Gunnison, Legislative & Regulatory Counsel  
Service Contract Industry Council

Re: HB 1511 – Warranty Disclosures  
**SCIC Position: COMMENTS WITH PROPOSED AMENDMENTS**

Date: Wednesday, March 18, 2026  
9:30 am, Room 229

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Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

The Service Contract Industry Council (SCIC) submits the following comments and proposed amendments to HB 1511 HD2. While we appreciate the Legislature’s intent to prevent misleading marketing practices, the bill as drafted raises several significant concerns that could unintentionally undermine appropriate communications made in good faith between reputable companies and consumers.

SCIC represents the national service contract industry, including the obligors, administrators, manufacturers, and retailers that collectively protect Hawaii consumers by covering the cost of repairing or replacing components in vehicles and other consumer goods following a breakdown.

We appreciate the Legislature’s efforts to curb deceptive practices that can harm Hawaii residents. However, we respectfully request amendments to clarify the terms “unsolicited” and “unaffiliated” to avoid unintended consequences that may disrupt legitimate business communications and customer service.

As currently drafted, HB1511 may be interpreted too broadly, potentially restricting lawful and necessary communications between service contract providers and their existing customers. Service contract providers routinely communicate with consumers regarding active agreements,

including coverage details, claims processing, renewals, billing inquiries, and warranty-related services. Without clear definitions, these routine and expected interactions could be inadvertently captured under the bill's restrictions.

To address this concern while preserving the bill's consumer protection goals, SCIC proposes the following clarifying amendments:

"Unaffiliated" means a person or entity that does not have an existing business relationship with the recipient and is not authorized to solicit service contracts or extended warranties by the insurer, warranty provider, or service contract provider that issued the policy, warranty, or service contract referenced in the communication.

"Unsolicited" means a communication sent to a recipient with whom the sender has no existing business relationship, or that was not requested, authorized, or consented to by the recipient.

(d) Nothing in this section shall prohibit a legitimate insurer, warranty provider, service contract provider, or their authorized representatives from communicating with their existing customers regarding policies, warranties, or service contracts issued or administered by that entity.

SCIC respectfully requests that the Committee amend HB 1511 to address these concerns while preserving its core consumer protection goals.

Thank you for the opportunity to submit testimony.

Respectfully,

Bill Gunnison  
Legislative & Regulatory Counsel  
Service Contract Industry Council  
e: bill@ppami.com  
m: 913-669-1631



*Mortgage Bankers Association of Hawaii*  
*P.O. Box 4129, Honolulu, Hawaii 96812*

March 13, 2026

The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair  
Members of the Senate Committee on Commerce and Consumer Protection

Hearing Date: March 18, 2026  
Hearing Time: 9:30 AM  
Hearing Place: Hawaii State Capitol, Conference Room 229

Re: HB 1511, HD2 Relating to Consumer Protection

I am Bryan Anderson, representing the Mortgage Bankers Association of Hawaii (“MBAH”). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH is submitting this testimony in **SUPPORT** of HB1511, HD2 (the “Bill”).

This bill provides critical protections for Hawaii residents against misleading communications that often mimic official notices from trusted entities.

**Why HB 1511 is Essential:**

- **Combats Deceptive Tactics:** Many consumers receive high-pressure mailers or emails designed to look like they are from a vehicle manufacturer, dealer, or mortgage lender. These tactics often trick individuals into believing their existing coverage is expiring when it is not.
- **Mandates Transparency:** The bill requires clear and conspicuous disclosures (bold 14-point type) stating that the entity is not affiliated with the manufacturer or lender and that the warranty is completely optional.

- Provides Consumer Remedies: By making contracts voidable if they fail to meet these disclosure requirements, the Bill empowers consumers to cancel deceptive agreements and receive a full refund.
- Protects Vulnerable Populations: Seniors and first-time homeowners are frequently targeted by these scams, which can lead to "junk fees" and expensive contracts that offer little actual value.

In conclusion, Hawaii's Unfair or Deceptive Acts and Practices (UDAP) laws are vital for maintaining a fair marketplace. The Bill strengthens these protections by specifically targeting a persistent and evolving form of marketing fraud that has already led to massive federal enforcement actions. I respectfully urge the Committee to PASS HB 1511, HD2 to ensure greater transparency and protection for all Hawaii consumers.

Thank you for the opportunity to present this testimony.

*Bryan Anderson*

Bryan Anderson  
Mortgage Bankers Association of Hawaii



To: The Honorable Senator Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair  
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: **HB 1511 HD2 – Relating to Consumer Protection**  
**APCIA Position: Comments, Request for Amendment**

Date: Wednesday, March 18, 2026  
9:30 a.m., Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

The American Property Casualty Insurance Association has concerns regarding the current version of **HB 1511 HD2**, which presents several significant issues that could unintentionally undermine appropriate, good faith communication between reputable companies and consumers.

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

The bill appears to be well-intended—particularly in its stated aim of addressing misleading or harmful marketing practices. However, as currently drafted, APCIA has the following concerns:

**1. Subjective Standard Creates Compliance Risk and Chilling Effects**

The bill’s prohibition on sending any mail or email “*that is reasonably likely to result in the consumer believing...*” introduces a highly subjective standard. Even when companies communicate accurate, compliant information, this standard could be interpreted inconsistently, exposing good actors to potential enforcement risk.

From a compliance standpoint, this uncertainty encourages companies to pull back from appropriate and beneficial consumer communication. The result is a chilling effect on legitimate, protected commercial speech—ultimately reducing the information available to consumers rather than improving it.

## **2. Rigid Disclosure Specifications Create “Gotcha” Compliance Problems**

HB 1511 HD2 would impose unusually specific formatting mandates, including **bold 14-point type** for disclosures. Even when a company provides clear, accurate notice, an inadvertent deviation from this specific type size could trigger liability. This creates unnecessary “gotcha” compliance exposure despite good faith efforts to communicate transparently.

Moreover, 14-point type is significantly larger than required in other states and may unnecessarily expand document length, increasing printing and mailing costs without improving consumer understanding.

## **3. Redundant Requirements and Unnecessary Unfair and Deceptive Practice Act Exposure (UDPA)**

The bill also raises several concerns regarding redundancy and heightened legal risk:

- **Unnecessary inclusion as a UDPA violation:** Layering these requirements into Hawai‘i’s UDAP framework creates heightened and potentially disproportionate liability for issues that may be minor, technical, or inadvertent.
- **Redundant disclosures:** The products and services targeted by the bill are already voluntary, and companies already disclose them as such. Additional mandated disclosures may not materially benefit consumers.
- **Cost and risk implications:** Companies would incur meaningful expenses to redesign materials, update compliance systems, and maintain state-specific processes. Additionally, increased legal exposure—particularly through UDAP—may require organizations to reserve against potential claims, impacting operations and costs passed on to consumers.

APCIA appreciates the Legislature’s commitment to protecting Hawai‘i consumers. However, HB 1511 HD2’s subjective standards, overly rigid formatting requirements, and unnecessary UDAP implications risk harming well-intentioned communications and increasing costs without delivering meaningful additional consumer benefit.

For these reasons, APCIA requests the committee to **amend HB 1511 HD2** to exclude communications with existing customers. APCIA believes this would avoid unintended adverse consequences while preserving its core consumer protection goals.



March 18, 2026

Hawai'i State Legislature  
Senate Committee on Commerce and Consumer Protection

Re: Comments on HB 1511, HD2 Relating to Consumer Protection

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the committee,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we respectfully oppose HB 1511, HD2 Relating to Consumer Protection. This bill will prohibit certain entities from distributing unsolicited mail or electronic mail that is reasonably likely to cause a consumer to believe that a vehicle manufacturer, dealer, mortgage loan originator, mortgage servicer, or insurance company is asking the consumer to send money to extend a vehicle warranty or home warranty, unless certain disclosures are met.

Hawaii-licensed automobile dealers play an important role in providing accurate, timely, and relevant information to vehicle owners. Dealers routinely communicate with consumers regarding safety recalls, warranty coverage, service campaigns, and other vehicle-related matters that are essential to consumer safety and informed decision-making. These communications are regulated under existing state and federal laws and are not intended to mislead or deceive consumers.

Accordingly, HADA appreciates the effort to clarify that legitimate communications from Hawaii-licensed automobile dealers acting within the scope of their relationship with consumers are not subject to the prohibition. Such clarification helps ensure that the bill effectively targets bad actors while preserving the ability of licensed dealers to communicate important vehicle information without unintended restrictions.

After reviewing this measure more closely, we continue to have concerns as it remains so vague. For example, "high pressure tactics" include communications that tend to cause fright or a threat, which might include a fear of missing out on savings or the threat of economic disadvantage. High pressure tactics are also defined as those that *impliedly* cause fear. The type and degree of fear are unstated. Communications restrictions viewed solely through the eye of the recipient without clear standards are problematic at best and may be impossible to comply with. We support legitimate communications with customers that will enable them to make informed choices. We do not support misleading communications which are already prohibited by law. Thank you for the opportunity to share our concerns on this measure.

The Hawai'i Automobile Dealers Association is the voice of 71 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.

**HB-1511-HD-2**

Submitted on: 3/15/2026 9:06:32 AM

Testimony for CPN on 3/18/2026 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am writing in strong support of HB1511, a consumer protection measure that targets deceptive and high-pressure solicitation tactics that too often confuse, mislead, and harm Hawai'i residents, particularly our kūpuna and those who may not immediately recognize when they are being misled.

**Why Is This Important?**

We have all seen them: official-looking mailers that appear to come from a government agency, demanding payment for "forms of legal authorization" or official documents. They use logos, seals, and language designed to create the false impression that the sender is affiliated with a government entity or another trusted organization. They employ high-pressure tactics, creating a false sense of urgency to trick recipients into sending money for something they could get elsewhere for free or at a lower cost.

These solicitations are not just annoying; they are predatory. They prey on good-faith assumptions—that if a document looks official, it must be legitimate; that if a deadline is stated, it must be real; that if a form is offered, it must be necessary. For kūpuna on fixed incomes, for busy families juggling countless responsibilities, and for individuals navigating complex systems like immigration or business compliance, these deceptive mailers can cause real financial harm.

HB1511 directly addresses this problem. The bill prohibits entities from distributing unsolicited mail or electronic mail that:

- Employs high-pressure tactics; or
- Is reasonably likely to cause a consumer to believe the sender is affiliated with another entity that they are not actually affiliated with; and
- Asks the recipient to pay for goods, services, or forms of legal authorization.

**The Disclosure Requirement**

Crucially, HB1511 does not impose an outright ban on all solicitations. It instead requires transparency. The prohibited practices are allowed only if the solicitation meets specific disclosure requirements, ensuring that the recipient is not being deceived. This balanced

approach stops bad actors while allowing legitimate businesses to continue operating—as long as they are honest about who they are and what they are selling.

### **Empowering Consumers**

Perhaps most importantly, the bill makes contracts that fail to meet these disclosure requirements voidable at the option of the consumer. This is a powerful and necessary tool. It shifts the power back to the individual who was misled, giving them the right to walk away from a transaction entered into based on deception. It also creates a strong incentive for businesses to comply with the law, knowing that failure to do so could render their contracts unenforceable.

### **Who This Protects**

This bill protects all of us, but it is especially vital for our most vulnerable residents:

- Kūpuna who may receive mailers that look like they are from Social Security, Medicare, or other trusted agencies, demanding payment for services or documents.
- Immigrants and their families who may receive solicitations offering "legal authorization" forms that create confusion about what is required and where to obtain legitimate assistance.
- Small business owners who may be targeted by official-looking notices demanding payment for business licenses, compliance forms, or other documents that are available elsewhere for less—or for free.

### **A Common-Sense Solution**

HB1511 is a common-sense update to our consumer protection laws. It recognizes that bad actors have become increasingly sophisticated in their efforts to deceive, and that our laws must keep pace. It does not burden legitimate businesses; it simply requires them to be honest. And it provides a clear remedy for consumers who have been victimized by deception.

I urge this committee to pass HB1511 and send a clear message: in Hawai‘i, we do not tolerate deception, and we will not allow predatory mailers to profit from confusion and fear.

Mahalo for the opportunity to testify.