



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection & Commerce
Tuesday, February 10, 2026
2:00 p.m.
State Capitol, Conference Room 329 & via Videoconference**

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

Chair Matayoshi, Vice Chair Grandinetti, 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 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 and to make contracts that fail to meet disclosure requirements voidable at the option of the consumer.

The Insurance Division supports implementing measures that safeguard the consumers' best interests so that they can engage in clear, informed, and intentional decision-making regarding any home and vehicle warranties.

Thank you for the opportunity to testify.



LATE

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Tuesday, February 10, 2026
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Conference Room 329

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

Chair Matayoshi 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 purpose of this bill is to 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 and make contracts that fail to meet disclosure requirements voidable at the option of the consumer.

This bill targets the use of unsolicited mailers that employ urgent, official-sounding language to create the false impression that a manufacturer's warranty or mortgage protection is expiring. 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 offers a practical solution by requiring senders to be transparent about their identity. It prevents companies from impersonating a consumer's mortgage lender, the DMV, or other 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. This bill requires all solicitations to 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.

This bill makes Hawaii part of a growing national movement to curb these aggressive solicitation methods. 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 aligns Hawaii with these established standards, ensuring our residents receive protection from misleading solicitations.

Thank you for the opportunity to testify on this bill.



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

February 9, 2026

The Honorable Scot Z. Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice Chair
Members of the House Committee on Consumer Protection & Commerce

Hearing Date: February 10, 2026
Hearing Time: 2:00 pm
Hearing Place: Hawaii State Capitol, Conference Room 329

Re: HB 1511 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 (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, HB 1511 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. HB 1511 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 Committees to PASS HB 1511 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



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 10, 2026

TO: Representative Scot Matayoshi
Chair, Committee on Consumer Protection & Commerce

Representative Tina Grandinetti
Vice Chair, Committee on Consumer Protection & Commerce

FROM: Tiffany Yajima

RE: **H.B. 1511 - Relating to Consumer Protection**
Hearing Date: Tuesday, February 10, 2026 at 2:00 p.m.
Conference Room: 329

Dear Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony providing **comments** in support of H.B. 1511, Relating to Consumer Protection, and respectfully request amendments.

The Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – the association is committed to a cleaner, safer and smarter personal transportation future.

Auto Innovators support the intent of this measure to protect consumers from unsolicited and deceptive marketing for extended warranties. This bill helps to combat warranty scams that often impersonate brands to sell third-party service contracts by banning entities from distributing mail that is reasonably likely to cause a consumer to believe a vehicle manufacturer, dealer, or insurance company is asking for money to extend a warranty.

To further strengthen the consumer protections in this bill, Auto Innovators suggests clarifying language to 1) include service contracts and 2) ensure that actual, legitimate mailers from authorized entities are allowed.

Service contracts are colloquially known as “extended warranties” but is a misnomer because the two terms have distinct meanings. Most misleading mailers and junk mail use the word “warranty” or “extended warranty” to imply a pre-existing relationship with the manufacturer. These mailers actually sell vehicle service contracts provided by a third-party company with no connection to the automaker.

This amendment would ensure that these unsolicited service contracts are prohibited.

Auto Innovators also requests clarifying language to ensure that actual, legitimate marketing departments of automobile manufacturers and authorized dealers are allowed to send their own legitimate service reminders to customers.

With these amendments Auto Innovators is in support of this measure.

Thank you for the opportunity to submit this testimony.

SECTION 1. Proposed Amendments

"§481B-Vehicle warranties; unsolicited mail and electronic

mail. (a) No entity shall distribute unsolicited mail or electronic mail to a consumer that is reasonably likely to result in the consumer believing that a vehicle manufacturer, new motor vehicle dealer, used motor vehicle dealer, or insurance company is asking the consumer to send money to extend a vehicle warranty or purchase a service contract, unless the entity includes a clear and conspicuous statement, printed or rendered in bold face fourteen point type and located in a position that is reasonably calculated to draw the attention of the reader, that:

- (1) The entity is not affiliated with the vehicle manufacturer, new motor vehicle dealer, used motor vehicle dealer, or insurance company; and
- (2) The extended vehicle warranty or service contract being offered is completely optional;

provided that if the notice of opt-in is not included in the mail or electronic mail, any contract entered into as a result of the unsolicited mail or electronic mail shall be voidable at the option of the consumer, and any money paid by the consumer under the contract shall be refunded in full.

(b) For purposes of this section:

"Entity" means a person, firm, partnership, association, or corporation, or agent or employee thereof but does not mean a vehicle manufacturer, new motor vehicle dealer, used motor vehicle dealer, or insurance company or an affiliate thereof.

"New motor vehicle dealer" has the same meaning as defined in section 437-1.1.

"Used motor vehicle dealer" has the same meaning as defined in section 437-1.1.

"Vehicle manufacturer" has the same meaning as "manufacturer" as defined in section 437-1.1 and includes "distributor" as defined in section 437-1.1.



February 10, 2026

Hawai'i State Legislature
House Committee on Consumer Protection & Commerce

Re: Comments on HB 1511, Relating to Consumer Protection

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the committee,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we offer comments on HB 1511, 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 respectfully requests that HB 1511 be clarified to expressly exclude lawful communications from Hawaii-licensed automobile dealers acting within the scope of their relationship with consumers. Such clarification would ensure the bill effectively targets bad actors while preserving the ability of licensed dealers to communicate important vehicle information without unintended restrictions.

Thank you for the opportunity to provide comments 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.



LATE

To: The Honorable Scot Z. Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice Chair

From: Mark Sektnan, Vice President

Re: **HB 1511 – Relating to Consumer Protection**
APCIA Position: OPPOSE

Date: Tuesday, February 10, 2026
2:00 p.m., Room 329

Aloha Chair Matayoshi, Vice Chair Nakada Grandinetti and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is **opposed** to the current version of **HB 1511** which presents several significant concerns 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 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 Hawaii’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 Hawaii consumers. However, HB 1511’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** to avoid unintended adverse consequences while preserving its core consumer-protection goals.



LATE

To: The Honorable Scot Z. Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice Chair

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

Re: HB 1511 – Warranty Disclosures
SCIC Position: OPPOSE

Date: Tuesday, February 10, 2026
2:00 p.m., Room 329

Aloha Chair Matayoshi, Vice Chair Nakada Grandinetti, and Members of the Committee:

The Service Contract Industry Council (SCIC) opposes the current version of HB 1511. 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. SCIC has the following concerns with HB 1511 as initially drafted:

1. Subjective Enforcement Standard Creates Compliance Risk and Chilling Effect

HB 1511 targets communications that are “reasonably likely” to cause a consumer to form a particular belief, which is a vague and subjective standard that could be difficult to apply in practice. Even businesses that devote significant resources to compliance would face uncertainty and the potential for inconsistent enforcement. This could motivate companies to limit or avoid communications with consumers to mitigate risk.

LATE

2. Disclosure Requirements Create Compliance Traps

The bill establishes detailed disclosure formatting requirements, including a requirement that certain disclosures appear in bold 14-point font. While the goal of promoting clarity is understandable, under this framework even disclosures that are accurate, clear, and provided in good faith could give rise to liability based solely on minor technical deviations. In addition, the required font size is larger than what is typically required in most jurisdictions and could increase document length and associated printing and mailing costs, without a clear indication that it would meaningfully enhance consumer comprehension.

3. Unnecessary UDAP Exposure

Incorporating the provisions of HB 1511 into Hawaii's Unfair and Deceptive Practices framework could expose companies to disproportionate penalties for minor, technical, or inadvertent compliance issues, even where the additional disclosures may not meaningfully benefit consumers. At the same time, compliance would require significant operational adjustments, including redesigning materials, updating systems, and maintaining Hawaii-specific processes. Those added costs would likely, in many cases, ultimately be passed on to consumers.

SCIC shares the Legislature's commitment to protecting Hawaii consumers. However, HB 1511's subjective standards, rigid formatting requirements, and unnecessary UDAP implications risk discouraging responsible communication and increasing costs without delivering meaningful additional consumer protection.

For these reasons, 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