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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Judiciary

Tuesday, April 7, 2026
10:15 a.m.
State Capitol, Conference Room 016

On the following measure:
H.B. 2282, H.D. 1, S.D. 1, RELATING TO INSURANCE

Chair Rhoads, Vice Chair Gabbard, 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 measure.

H.B. 2282, H.D.1, S.D. 1 makes targeted, technical, and consumer-focused improvements to enhance transparency, align licensing enforcement authority, and clarify existing statutory requirements. The measure includes four components:

Premium increase transparency

H.B. 2282, H.D. 1, S.D. 1 would require insurers to provide a written explanation of premium increases to policyholders. The Division believes that inclusion of this provision maximizes information available to consumers with minimal cost implications.

License enforcement alignment

H.B. 2282, H.D. 1, S.D. 1 clarifies the grounds for disciplinary licensing actions to ensure consistency for adjusters, independent bill reviewers, and insurance producers.

As currently drafted, licensing actions for public adjusters and independent bill reviewers and insurance producers varies drastically. The proposed updates not only align HRS §431:9-235 with the NAIC model language, but it would also align HRS § 431:9-235 with HRS § 431:9A-112 which governs insurance producers. The Division feels this is an integral change to allow for better oversight and regulation of adjusters and independent bill reviewers.

Improved cancellation and nonrenewal notice

H.B. 2282, H.D. 1, S.D. 1 would require insurers to state specific reason(s) for cancellation or nonrenewal of an insurance policy. This amendment to HRS § 431:10-226.5 will improve communication between insurers and insureds to ensure that insureds will receive relevant information and an explanation in the event of a cancellation or nonrenewal.

Technical statutory corrections

H.B. 2282, H.D. 1, S.D. 1 resolves an inconsistency for purchasing group service fee payment dates. Risk retention groups are required to pay an annual service fee, however, there is a discrepancy under HRS § 431K-7.1 as to the required date for that payment. The proposed amendment aligns this payment date with the rest of chapter 431K

The Division also requests that the effective date for H.B. 2282, H.D. 1, S.D. 1 be amended to be “upon its approval, provided that sections 1, 2, 3, 4, and 5, shall take effect on January 1, 2027.”

Thank you for the opportunity to testify on this measure.