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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection and Commerce**

**Tuesday, April 7, 2026  
2:05 p.m.**

**State Capitol, Conference 329 and via Videoconference**

**On the following measure:  
S.B. 2960, S.D. 1, RELATING TO PROPERTY INSURANCE**

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 **offers comments** on this measure.

The purpose of S.B. 2960 S.D. 1 is to establish minimum time frames for policyholders to recover full replacement cost value following a loss due to a declared disaster or emergency. The measure provides a minimum 36-month period to recover replacement cost value for a covered dwelling or structure, allows for extensions for good cause, establishes a one-year period following completion of rebuilding to recovery replacement cost value, and requires insurers to provide timely notice explaining these timelines and extension rights.

The Department recognizes the extraordinary challenges faced by Hawaii residents following catastrophic events. The 2023 Maui wildfires highlighted the

significant barriers that can delay rebuilding, including limited contractor availability, supply-chain disruptions, permitting delays, and financing constraints. Ensuring that policyholders have a fair opportunity to access the replacement cost value benefits of their homeowners' policies is an important consumer protection goal, and the Department shares the Legislature's interest in improving disaster recovery outcomes for Hawaii's residents. At the same time, the Department's statutory role requires consideration of the potential impacts on insurance affordability, availability, and market stability.

The Department has significant concerns that the proposals in S.B. 2960 S.D. 1 may adversely affect the availability of homeowners insurance in Hawaii. The measure provides that a "homeowners insurer shall not limit or deny the policyholder's right to recover full replacement cost value." (Page 5, lines 8-9). As drafted, this language may effectively require insurers to cover reconstruction costs in excess of stated policy limits. Such an expansion of coverage beyond filed and approved limits introduces material uncertainty into insurers' risk exposure, which may lead some insurers to reduce their market participation or withdraw from the Hawaii market altogether.

For insurers that continue to offer homeowners coverage, the measure would likely necessitate recalibration of underwriting and pricing assumption to account for this expanded and uncertain exposure. Because full replacement value is not known until reconstruction is complete, insurers would be required to price for a potentially open-ended obligation. This, in turn, may result in higher premiums for policyholders, particularly in cases where Coverage A limits are insufficient to meet ultimate reconstruction costs.

The Department appreciates the Legislature's efforts to address Hawaii's disaster recovery challenges and looks forward to continued discussion on policies that balance strong consumer protections with long-term insurance affordability and market stability.

Thank you for the opportunity to testify on this measure.

## TESTIMONY OF MICHAEL ONOFRIETTI

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COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Scot Z. Matayoshi, Chair  
Representative Tina Nakada Grandinetti, Vice Chair

Tuesday, April 7, 2026  
2:05 p.m.

### **SB 2960, SD1**

Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee on Consumer Protection & Commerce, my name is Michael Onofrietti, ACAS, MAAA, CPCU, Senior Vice President, Chief Actuary & Chief Risk Officer for Island Insurance, Board Chair and Chair of the Auto Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** this bill. This bill would require replacement cost coverage for dwellings, other structures, and personal property for losses as a result of a declared disaster or emergency. The bill also extends coverage to 36 months with 6-month extensions for a total of 60 months for dwellings and other structures. The bill is not subject to policy limits.

Insurance is built on the ability to quantify risk, establish defined coverage limits, and price products accordingly. By eliminating policy limits and requiring open-ended replacement cost coverage, this bill creates unbounded financial exposure for insurers. An insurance policy without defined limits cannot be actuarially priced. As a result, insurers may determine that continuing to offer homeowners coverage in Hawaii is no longer viable.

The regulated property insurance market in Hawaii is very small, and competition is limited. In 2025 the five largest Homeowners insurers wrote over 65% of the premium and the top ten wrote over 86% of the premium. Adding a requirement of open-ended coverage limits to licensed insurers in Hawaii may result in fewer companies willing to do business here.

The consequence of the loss of licensed insurers is an increase in homes insured under the unregulated excess and surplus insurance market. As Hawaii has recently seen with condominium buildings, the excess and surplus insurance market will charge what they wish and is not subject to local regulation on rates. These premium increases could be devastating to consumers in Hawaii and homeowners with mortgages could struggle to remain in their homes.

We ask that this bill be held. Thank you for the opportunity to testify.

# KAIBIGAN



# NG LAHAINA

April 3, 2026

House Committee on Consumer Protection and Commerce  
Hawai'i State House of Representatives  
Hawai'i State Capitol  
Honolulu, HI 96813

**Re: S.B. 2960 - Relating to Real Property Insurance - In Support**

Dear Chair Matayoshi and esteemed members of the committee,

Kaibigan ng Lāhaina supports S.B. 2960, a bill that would give homeowners more realistic time to recover the full replacement cost benefits they paid for under their insurance policy after a declared disaster or emergency. The current statutes requires for such reporting and claim filings to be completed within two years. The grave reality is within disaster recovery, timetables like these place in an exorbitant amount of stress for survivors already attempting to cope in the loss of property, security and life. We have seen firsthand with the Lahaina wildfires, how crippling recovery can be especially in rural communities where resources and assistance are not easily accessible.

By allowing disaster survivors more time, its provides them the ability to carefully and thoroughly process the complex navigation of recovery. This provides a compassionate approach to assisting local communities not only assess damages and loss, but also manage the burdensome task of rebuilding and restoring their homes and lives. We believe this is a necessary legislative measure for passage, in considering the extreme damages of the recent Kona Low storms across the State. Hawaii is highly susceptible to natural disasters such as these, and legislation like S.B. 2960 provides a fair approach to assuring policyholders can adequately recoup the cost of damages from their policies without having to extend benefits.

We respectfully ask for your considerable favor on S.B. 2960 and pass this measure through your committee.

Sincerely,

Eric C. Arquero  
Executive Director



To: The Honorable Scot Z. Matayoshi, Chair  
The Honorable Tina Nakada Grandinetti, Vice Chair  
House Committee on Consumer Protection and Commerce

From: Mark Sektnan, Vice President

Re: **SB 2960 SD1 – Relating to Property Insurance**  
APCIA Position - Comments

Date: Tuesday, April 7, 2026  
2:05 p.m., Conference Room 329

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

The American Property Casualty Insurance Association has concerns about **SB 2960 SD1**, which would provide extended timeframes for policyholders to receive full replacement cost.

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.

While we share the Legislature’s commitment to supporting policyholders after catastrophic events, SB 2960 SD1 would make it significantly more difficult for insurers to continue writing and sustaining business in Hawaii, ultimately harming the very consumers the bill intends to help.

SB 2960 SD1 would require homeowner’s insurers to:

- Allow 36 months for policyholders to submit documentation to recover full replacement cost value for a dwelling after a declared disaster.
- Offer six-month extensions for good cause.
- Provide one year from completion of repairs for submission of documentation related to personal property replacement cost.
- Disclose all relevant timelines to policyholders.

Although the bill states the intent to keep insurer liability capped at existing policy limits, its current language clearly requires insurers to pay “full replacement value” which may be higher than the policy limits stated in the contract. In addition, these substantial new requirements would create operational, financial, and underwriting challenges for insurers:

**1. Extended claim timelines create long-tail, open-ended exposures.**

Requiring insurers to keep replacement-cost claims open for at least three years—plus multiple six-month extensions—significantly increases administrative and reserving burdens, particularly in Hawaii’s catastrophe-prone environment where rebuilding already faces unique challenges.

**2. Increased uncertainty undermines rate stability.**

Long, unpredictable claim development timelines diminish insurers’ ability to accurately forecast loss costs. This level of uncertainty makes it harder to maintain adequate reserves and ultimately threatens the availability and affordability of coverage.

**3. Regulatory requirements complicate market participation.**

Even though the bill’s intent, but not the actual language of the bill, suggests that insurer liability remains capped at policy limits, the process and compliance risks of supervising multi-year claims, especially in a small, isolated market, may deter insurers from writing new business or expanding existing lines. The cumulative effect is a reduction in competition, consumer choice, and market resilience.

Extended timelines risk creating the perception among consumers that additional time equates to expanded coverage, which is not the case. This mismatch between expectations, the statutory language and the insurance contract could increase disputes, complaints, and litigation—further raising costs for all policyholders.

In addition, the bill should contain a delayed implementation date to allow insurers to accurately price the increased coverage mandated by this legislation.

**Conclusion**

We strongly support helping Hawaii residents recover after disasters, including the devastating 2023 Maui wildfires. However, SB 2960 SD1, as currently drafted, would unintentionally destabilize Hawaii’s property insurance market by imposing long-tail obligations and operational burdens that make continued participation in the state more challenging.

We respectfully urge the Committee to amend SB 2960 SD1 to ensure the statutory language of the bill reflects the intent of the bill and give insurers time to adjust premiums to reflect the additional risk created by this legislation.

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

April 6, 2026

*Filed via electronic testimony submission system*

**RE: SB 2960, SD1, Property Insurance; Disaster Recovery; Replacement Cost Value; Actual Cost Value; Payment Time Frames - NAMIC's Testimony in Opposition**

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the April 7, 2026, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

NAMIC is opposed to SB 2960, SD1, because it mandates increased insurance coverages and claims adjusting practices timelines that many consumers do not need, want or can afford. We are also concerned that the mandates deny consumers the right to personally decide for themselves what insurance coverages they need to address their particular risk of loss exposure and personal financial budget. *The more one increases the mandated scope of insurance coverages – the more one risks making basic insurance coverage unaffordable for many struggling consumers.*

NAMIC has the following concerns with the proposed legislation:

**§431:10E- Minimum time frame to capture dwelling replacement cost value.** In the event of the total or partial loss of a covered dwelling or other insured structure as a result of a declared disaster or emergency, a policyholder shall have at least thirty-six months from the date the policyholder receives the first actual cash value payment from the homeowners insurer to submit documentation and collect the full replacement cost value... [Emphasis Added]

The authors of the bill have offered no evidence to support the *actual need* for expanding this timeline, especially for partial losses, which should not require the policyholder 3 years of time to submit paperwork and documentation to the insurer.

**§431:10E- Extensions for good cause.** If the policyholder cannot complete the repair, rebuilding, or replacement within the thirty-six-month period for good cause, the homeowners insurer shall grant a six-month extension to the thirty-six-month period upon the written request of the policyholder. The policyholder may request up to four additional six-month extensions for a total recovery period of no more than sixty months from the date the policyholder received the first actual cash value payment from the homeowner’s insurer. . . [Emphasis added]

Once again, NAMIC is concerned that the proposed legislation is mandating a new and unnecessary claims adjusting requirement that has administrative cost implications that are insurance rate cost-drivers. The longer an insurer is required to keep a claims file open, the greater the staffing costs for the insurer, which becomes an administrative cost that impacts insurance rates. Where is the data that clearly shows that this extension of time is necessary? And where is the data that shows that consumers need up to sixty-months (5 years) to rebuild their homes?

**§431:10E- Notice requirements.** A homeowner’s insurer shall provide clear, written notice of the replacement cash value time frames to a policyholder no later than thirty days after the homeowner’s insurer is notified of a declared disaster or emergency affecting the insured property... [Emphasis added]

NAMIC is concerned that the language - “after the homeowner’s insurer is notified of a declared disaster or emergency affecting the insured property” is somewhat ambiguous. What does it mean for an insurer to be “notified” and what is the trigger for determining that the disaster “affected” the insurers property? NAMIC recommends that the timeline should start from the date of the filing of the insurance claim by the policyholder. This is a clear date that will remove ambiguity. Also, since many insurers use electronic delivery of insurance documents and notices, we suggest that this provision be amended to expressly allow e-delivery, especially in light of the fact that a major disaster could disrupt mail delivery services.

For the aforementioned reasons, **NAMIC respectfully requests your NO VOTE on SB 2960, SD1 – don’t force consumer to pay for unnecessary administrative extensions of time that exceed what other states have reasonably determined is appropriate.**

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC’s written testimony.

Respectfully,



Christian John Rataj, Esq.  
NAMIC Senior Regional Vice President  
State Government Affairs, Western Region



917 Irving St.  
San Francisco, CA 94112  
415.393.9990  
www.uphelp.org

April 6, 2026

House Committee on Consumer Protection and Commerce  
The Honorable Representative Scot Matayoshi, Chair  
The Honorable Senator Tina Nakada Grandinetti, Vice Chair

*Submitted via Hawai'i State Legislative Portal*

**RE: Strong Support for SB 2960 – Property Insurance; Disaster Recovery; Replacement Cost Value; Actual Cost Value; Payment Time Frames**

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

On behalf of United Policyholders<sup>1</sup> (“UP”), I write in strong support of SB 2960, introduced by Senator Angus McKelvey. This measure takes important steps to ensure that homeowners recovering from declared disasters are not unfairly cut off from collecting paid-for policy benefits due to a deadline written into the policy by the drafting insurer that is unrealistic for how long it actually takes to rebuild after a disaster, particularly in light of Hawai'i's unique island conditions.

As the Legislature has recognized, those conditions (high construction costs, limited contractor availability, supply-chain delays, shipping rules and complex permitting processes) slow post-disaster rebuilding. After a large-scale disaster like the 2023 Maui wildfires, recovery frequently takes years, and where a policy deadline for collecting full replacement cost benefits is strictly enforced, policyholders lose access to benefits due to forces beyond their control. SB 2960 establishes a fair and realistic timeline for policyholders to access replacement cost value benefits after a declared disaster or emergency.

The bill appropriately provides up to thirty-six months for policyholders to recover the full replacement cost value of a covered dwelling, allows extensions for good cause, and ensures additional time to recover personal property replacement cost value once rebuilding is complete. It also requires insurers to provide clear notice of applicable deadlines and extension opportunities so that policyholders understand their rights. These protections recognize the practical realities of disaster recovery while maintaining insurer liability within existing policy limits. This bill will bring Hawaii law into conformity with Colorado and California, two other wildfire-prone states. Having consistent rules across wildfire-prone states helps claim adjusters and policyholders, reduces delays and improves outcomes and claim handling.

United Policyholders has worked extensively with policymakers and regulators across the country to implement the reforms this bill contemplates. In Colorado, California and Oregon, extended timeframes for collecting replacement cost benefits have proven essential to ensuring that policyholders can fully rebuild

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<sup>1</sup> United Policyholders is a national nonprofit that has advocated for insurance consumers for more than 30 years. Recently in Hawai'i, UP has been actively supporting residents in the aftermath of the 2023 Maui wildfires through our Roadmap to Recovery<sup>®</sup> program, public workshops, and in-person assistance for survivors navigating insurance claims and rebuilding challenges. Our staff and volunteers—including Maui-based partners—have provided free guidance, educational resources, and advocacy to help homeowners understand coverage, secure benefits, and resolve disputes with insurers. We have also filed amicus briefs in Hawai'i courts and engaged with policymakers to strengthen consumer protections and improve disaster-recovery outcomes for residents across the state.



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[www.uphelp.org](http://www.uphelp.org)

after catastrophic events. These policies reflect a growing recognition that recovery timelines must align with real-world rebuilding conditions, particularly in disaster-impacted communities where labor shortages, material delays, and regulatory processes can significantly slow reconstruction.

SB 2960 reflects these best practices. By establishing realistic timelines and extension mechanisms for accessing replacement cost benefits, the bill will help ensure that Hawai'i homeowners are able to fully utilize the coverage they purchased and rely on as they rebuild their homes and communities.

We respectfully urge your support for SB 2960. Thank you for your leadership on this important issue and for your continued work to protect Hawai'i homeowners and support long-term disaster recovery.

Sincerely,

A handwritten signature in cursive script that reads "Amy Bach".

Amy Bach, Executive Director  
United Policyholders

April 7, 2026

Representative Scot Matayoshi, Chair  
Representative Tina Grandinetti, Vice-Chair  
Members of the House Consumer Protection and Commerce

Re: Senate Bill (SB) 2960, Senate Draft (SD) 1, Relating to Property Insurance  
Testimony **In Opposition with suggested amendments**

Dear Chair, Vice-Chair and Members of the Committee:

State Farm recognizes that recovering from a disaster can present extraordinary challenges, some of which are unavoidable. State Farm also acknowledges the bill's purpose towards ensuring that Hawaii's insured consumers have full access to policy benefits when the policyholder has acted in good faith and with reasonable diligence.

Nevertheless, State Farm opposes SB2960 because it mandates increased insurance coverage, extends claim adjusting timelines, and impacts the consumers ability to choose the product that meets their personal and financial needs. State Farm notes that the bill does not link the policyholder's recovery to policy limits. This is problematic and may significantly impact exposure and risk for all homeowner policies. Overall, the proposed statutory mandates will increase operational and regulatory risk and ultimately result in higher premiums for consumers.

State Farm is further concerned the legislation is vague and may cause confusion for the very consumers it seeks to protect. For example, the proposal does not define "declared disaster or emergency." The term natural disaster or emergency should be clearly defined and linked to a State of Emergency *declared by the Governor* pursuant to Haw Rev. Stat. Section 127A-14. Furthermore, the declared disaster or emergency should provide a *specific geographical location*, and/or linked to a *specific catastrophe* (e.g., hurricane, wildfire, severe storm). There are instances where an emergency declaration may be issued prior to an event occurring, or issued for longer periods than the duration of the catastrophic event. The recovery under this proposed law should be tied to a covered loss that results from a declared disaster or emergency.

Additionally, State Farm also asserts that the bill's definition of "good cause" is vague and should be updated to reflect that the policyholder was *acting in good faith and with reasonable diligence when they encountered delay(s) beyond their control*.

If there is a desire to move the measure forward, in addition to updates to the definitions noted above, State Farm would request:

- Minimum time frame to capture dwelling replacement cost to be limited to 24 months from the date of the first actual cash value payment to submit documentation and collect the full replacement cost benefits, up to policy limits.
- The policyholder can request up to two six-month extensions for good cause (assuming the definition is also revised/updated).
- Notices about replacement cost benefits shall be sent 30 days after a claim has been made that is the result of a declared disaster or emergency (assuming the definition is also updated).

Thank you for the opportunity to testify and for your consideration of our proposed amendment.

**RE: SB 2960 – Relating to Property Insurance**

**Position: Support**

Aloha Chair and Members of the Committee:

My name is Reiko Kato, and I am a resident of Kula, Maui, Hawaii.

I support SB 2960.

After a disaster, rebuilding a home or replacing everything that was lost takes time. Many insurance policies require homeowners to complete this process within a limited period in order to receive full replacement cost benefits.

The problem is that real-life recovery often takes longer than those deadlines allow.

In Maui, we are still rebuilding:

- Only 171 homes are complete
- Hundreds are still under construction or waiting for permits

This is not because people are not trying. It is because of delays outside of their control, including permitting, labor shortages, and supply chain issues.

SB 2960 gives homeowners a fair chance to recover the full benefits they paid for.

This bill does not increase coverage or raise policy limits. It simply allows more time when it is needed.

Without this bill, people can lose part of their insurance benefits just because they run out of time.

This is not just about Maui. Disasters can happen anywhere in Hawai'i, and this bill will help protect all communities going forward.

Please support SB 2960.

Mahalo for your consideration.

**Reiko Kato**

**Kula/Maui**

**SB-2960-SD-1**

Submitted on: 4/5/2026 10:56:22 AM

Testimony for CPC on 4/7/2026 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christine L. Andrews, J.D.	Individual	Support	Written Testimony Only

Comments:

As a Maui resident, I request your support of this measure to protect insureds.

Mahalo.

**SB-2960-SD-1**

Submitted on: 4/5/2026 4:50:09 PM

Testimony for CPC on 4/7/2026 2:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the House Committee on Consumer Protection & Commerce,

My name is Jackie Keefe and I am a resident of Lahaina. I am in **strong support of SB2960**, which protects policyholders after a disaster.

I have worked as an advocate for fire survivors in different capacities over the past 30 months, and I've witnessed firsthand many of the challenges that our survivors have experienced. This is by no means only due to their endless battles with their insurance companies, but those have certainly been among their most frustrating! People are legally required to have insurance, yet insurance has proven insufficient.

SB2960 is intended to ensure Hawai'i residents are adequately protected by establishing a fair and realistic timeframe to access their benefits.

I cannot begin to explain to you the devastation experienced by our community after the August 2023 wildfires. This issue is not unique to Maui. Recent events like Kona Storm 1 and Kona Storm 2 are reminders that Hawai'i will continue to face disasters. SB 2960 is forward-looking legislation that will protect policyholders statewide when the next disaster strikes. To know that fighting insurance companies would be one less thing that the next community to experience a disaster has to worry about would bring all of us some comfort.

Please **pass SB2960**.

Mahalo for your consideration.

Jackie Keefe, Lahaina

## **Letter in Support of SB 2960**

### **Consumer Protection & Commerce Committee**

*Submitted via Electronic Portal*

#### **RE: SB 2960 – Relating to Property Insurance Strong Support with Clarification of Consumer Protections**

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

My name is Sherry Peterson. I serve as an Equal Justice Fellow and United Policyholders Roadmap to Recovery Liaison on Maui, working directly with wildfire survivors navigating the insurance recovery process.

I write in strong support of SB 2960 and to address concerns raised by the insurance industry in the Senate hearing as I anticipate those same arguments will be made before you.

One clear point--this bill is not an expansion of coverage. It is a correction of a structural timing problem within the insurance industry that is causing policyholders to lose benefits they have already paid for.

#### **1. Understanding the Issue: Actual Cash Value vs. Replacement Cost Value**

Homeowners insurance policies typically pay claims in two stages:

- **Actual Cash Value (ACV):** the depreciated value of damaged property, paid up front
- **Replacement Cost Value (RCV):** the full cost to rebuild or replace, paid after completion or documentation

The difference between ACV and RCV is withheld by the insurer until the policyholder rebuilds, replaces, or documents their loss—within a set deadline.

If that deadline is missed, policyholders lose the right to recover the full replacement cost—even though they paid premiums for that coverage. In most cases this represents thousands of dollars lost. Dollars policyholders paid premiums for and need to rebuild.

#### **2. The Real Problem: Time, Not Coverage**

SB 2960 does not increase policy limits or expand coverage. It ensures policyholders have a realistic opportunity to access the benefits already built into their policies.

The issue is time.

At the Lahaina Community Meeting on April 1, Maui County reported:

- 171 homes rebuilt with families back home
- 305 homes currently under construction
- 728 building permits issued
- 353 permits still in process

These numbers tell a clear story: recovery is underway, but it is far from complete—and it is not moving at a pace that aligns with current insurance deadlines.

This is not due to inaction by policyholders. It is due to:

- permitting delays
- labor shortages
- supply chain disruptions
- financing and insurance payment delays

These are systemic barriers policyholders face when they are trying to rebuild.

### **3. This Is Not Just Maui — This Is Hawai'i**

While the Maui wildfires exposed this issue in the most devastating way, this problem is not unique to Maui.

It exists statewide.

We have already seen additional disasters with Kona Storm 1 and Kona Storm 2, and future disasters are not a question of if, but when.

SB 2960 is forward-facing legislation ensuring all Hawai'i policyholders are protected when the next disaster strikes.

### **4. Rebuttal to Anticipated Opposition Arguments**

A. "This creates open-ended or unlimited liability" — Incorrect

This bill does not increase policy limits or require insurers to pay more than what was purchased.

It simply ensures policyholders can access the full replacement cost coverage already included in their policies.

This is a timing fix—not a coverage expansion.

### **B. “Consumers do not need this much time” — Contradicted by data**

The Maui County data demonstrates that recovery is measured in years, not months.

Even now:

- hundreds of homes are still in permitting
- hundreds more are still under construction

Other states—including California and Oregon—have already recognized this and extended recovery timelines accordingly.

Hawai‘i must do the same.

### **C. “This will increase premiums or destabilize the market” — Misplaced concern**

Policyholders already paid for replacement cost coverage.

Without this bill:

- insurers retain withheld depreciation when deadlines expire
- policyholders lose benefits due solely to timing barriers

That is not actuarial fairness—it is a structural imbalance.

The cost of that imbalance is then shifted to:

- families
- communities
- government and nonprofit recovery efforts

### **D. “Administrative burden” — outweighed by real-world harm**

Yes, claims may remain open longer.

But the alternative is far more costly:

- incomplete rebuilding
- prolonged displacement
- increased reliance on county, state and federal resources as well as resources from non-profits

SB 2960 prioritizes actual recovery over administrative closure.

## **5. Why This Bill Matters**

This bill ensures that:

- policyholders receive the benefits they paid for
- recovery timelines reflect Hawai'i's realities
- families are not penalized for delays beyond their control
- communities can rebuild fully and sustainably

Without this bill, many survivors will face a second loss:

not from the disaster itself, but from the expiration of their insurance benefits.

## **6. Conclusion**

SB 2960 is a measured, necessary, and forward-looking consumer protection.

It does not expand coverage.

It does not remove limits.

It aligns insurance timelines with real-world recovery.

It protects not only Maui—but all of Hawai'i—when the next disaster comes.

I respectfully urge the Committee to pass this bill.

Mahalo for your consideration.

**Sherry Peterson**

Equal Justice Fellow

United Policyholders – Roadmap to Recovery Liaison

Maui, Hawai'i

## **Support for SB 2960 – Extended Replacement Cost Recovery**

Aloha e Chair and Members of the Committee,

My name is Hi‘ilei K. Casco and I am a resident of Maui. For the past year and a half, I’ve worked as a staff attorney for PONO Legal, a non-profit legal aid organization dedicated to providing free legal services for Maui’s disaster-impacted community members.

Through my work with fire survivors, I have learned that rebuilding after a disaster is a very, very slow process. As of February 2026, nearly two and a half years after the August 8, 2023 Maui fires, only 138 residential buildings (homes) have been completed according to the Maui Recovers website (data provided by 4Leaf). Families are displaced for years, not months. Debris removal, architects, permits, materials, and shipping all take time.

Yet, many homeowners’ insurance policies require policyholders to complete rebuilding within much shorter time frames in order to collect full replacement cost value. When those deadlines expire, families can lose those benefits — not because they failed to act, but because rebuilding in Hawai‘i takes longer than insurance timelines allow.

SB 2960 corrects that injustice. SB 2960 provides a minimum of 36 months to recover full replacement cost value after a declared disaster; allows reasonable six-month extensions for good cause; recognizes permit delays, labor shortages, and supply chain disruptions; provides one year after rebuilding to recover full replacement cost for personal property; requires insurers to clearly disclose these timelines.

Importantly, this bill does not increase policy limits. It does not expand coverage. It simply ensures that policyholders have realistic time to access the benefits they already paid for. Recovery from a catastrophic loss in Hawai‘i can take five years or more. Insurance policy deadlines should reflect that reality.

I respectfully ask you to pass SB 2960.

Mahalo,

Hi‘ilei Casco