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## Testimony of the Department of Commerce and Consumer Affairs

### Before the House Committee on Finance

Tuesday, April 7, 2026  
2:00 p.m.

State Capitol, Conference Room 308 and via Videoconference

### On the following measure: S.B. 2961, S.D. 1, H.D. 1, RELATING TO INSURANCE

Chair Todd, Vice Chair Takenouchi, 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.

The purpose of S.B. 2961 S.D. 1 H.D. 1 is to expand and standardize additional living expenses (ALE) benefits for homeowners who suffer a total loss during a declared state of emergency. The bill requires insurers to allow ALE benefits to be used for the lease of a temporary primary residence, to issue a minimum four-month advance payment upon determination of a qualifying total loss, and to provide ALE benefits for at least twenty-four months, with extensions up to thirty-six months under specified rebuilding delay circumstances, subject to policy limits.

The Department recognizes the housing and recovery challenges faced by Hawaii residents following catastrophic events. Ensuring displaced policyholders have

access to stable housing and timely financial support following a disaster is an important consumer protection goal. At the same time, the Department's statutory role requires consideration of the potential impacts on insurance affordability, availability, and market stability.

ALE coverage, sometimes referred to as "loss of use" coverage, is a standard component of most homeowners and renters' insurance policies. ALE helps pay for the reasonable increase in living expenses when a covered loss makes a residence uninhabitable. This coverage is designed to maintain a policyholder's normal standard of living during the period of repair or rebuilding and may include temporary housing, increased food costs, storage, and other necessary expenses above the policyholder's normal day-to-day costs. ALE coverage is generally subject to a monetary limit - set percentage of the underlying policy coverage, time limit, and the requirement that expenses be reasonable, necessary, and documented.

The Department supports this measure as it maximizes consumer access to ALE benefits under their insurance policies. The Department supports the amendments by the House Committee on Consumer Protection Commerce to clarify that ALE benefits are subject to policy limits. Such limits are in line with other states that have adopted similar provisions, and are necessary to prevent this measure from having an adverse impact on premiums.

If the committee is inclined to move S.B. 2961 S.D. 1 H.D. 1, the Department requests an effective date of January 1, 2027 to allow ample time for insurers to update forms, filings, procedures, and systems.

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.



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

Apr 7, 2026

#### MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

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The Honorable Chris Todd, Chair  
House Committee on Finance  
The Thirty-Third Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

**SUBJECT: Support for SB2961 SD1 HD1** – Relating to Insurance (Additional Living Expenses After Disasters)

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) is a cross-disability, community-based Center for Independent Living serving disabled residents statewide. The Maui wildfires and other recent disasters have shown how long-term displacement and unstable temporary housing are especially harmful for disabled people who rely on accessible homes, durable medical equipment, in-home supports, and proximity to familiar providers to maintain their health and independence.

SB2961 SD1 HD1 requires homeowners insurance policies, after a total loss during a declared state of emergency, to: allow additional living expenses benefits to be used to lease a temporary primary residence, issue an advance of at least four months of those benefits within ten business days of request, and provide a minimum of twenty-four months of additional living expenses coverage with potential extensions up to thirty-six months when rebuilding is delayed for reasons beyond the insured's control. These changes give families—including disabled homeowners and caregivers—more flexibility and stability to remain near their communities, oversee rebuilding, and avoid unsafe or distant temporary arrangements that can push them toward institutional settings or homelessness.

From a Finance perspective, the bill does not create a new state program; instead, it clarifies how existing private insurance benefits are used and for



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how long in disaster situations. By supporting more stable temporary housing and reducing premature displacement, SB2961 SD1 HD1 can help moderate downstream public costs in disaster housing, health care, and social services, particularly for residents with higher support needs who are most at risk when recovery timelines stretch into years.

We respectfully urge the Committee on Finance to pass SB2961 SD1 HD1 and ensure that post-disaster insurance protections support long-term, community-based recovery for disabled and non-disabled homeowners alike.

Thank you for the opportunity to testify.

Mahalo,

Roxanne Bolden

Executive Director