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Testimony of the Department of Commerce and Consumer Affairs

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

Wednesday, March 25, 2026

2:00 p.m.

State Capitol, Conference Room 329 and via Videoconference

**On the following measure:
S.B. 2961, S.D. 1, RELATING TO 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 **supports** this measure.

The purpose of S.B. 2961, S.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 thirty-six months, with extensions 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 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.

Potential consumer benefits of S.B. 2961 S.D. 1 include:

- Provides policyholders with greater flexibility to use ALE benefits for temporary housing solutions, including manufactured homes, recreational vehicles, or other housing units that may better support long-term recovery;
- Requires advance payment of ALE benefits following a total loss, which may help policyholders secure housing and avoid immediate financial hardship;
- Establishes a minimum duration of ALE benefits following disasters, reflecting Hawaii's extended rebuilding timelines; and
- Reduces the period of displacement.

Market and cost considerations of S.B. 2961 S.D. 1 include:

- Advance payments and extended ALE durations may increase the severity and duration of catastrophe-related claims;
- Extended ALE obligations may increase homeowners' insurance premiums for all property owners statewide; and

- Increased statutory mandates and restrictions on insurer practices will be factors in the underwriting and ratemaking process and may reduce insurer participation and capacity in Hawaii's already limited insurance market.

If the committee is inclined to move S.B. 2961 S.D. 1, the Department requests a delayed effective date 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.

TESTIMONY OF ALISON UEOKA

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

Wednesday, March 25, 2026
2:00 p.m.

SB 2961, SD1

Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of 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 submits **comments** on this bill. After the Lahaina fire in 2023, many insurers promptly paid out dwelling coverage to policyholders as soon as the insurer could verify a total loss, sometimes even if access to the site was not yet possible. In addition, many insurers advanced payment of Additional Living Expenses (ALE) or loss of use benefits, subject to the policy limits.

This bill, in new language in Section 431:10E-D, extends the duration of ALE benefits to at least thirty-six months with additional six-month increment extensions under certain conditions. However, the language in this section is not explicit that it is subject to the dollar limits in the policy. If this is not specifically stated, it is possible that the language could be interpreted to mean both duration and dollar limits are extended to an unlimited amount. This would be extremely problematic in that insurers would not be able to properly price a product with no limits. We ask that the bill be amended on Page 8, line 10 in subsection (d) to add language so that it would read as follows,

“(d) Nothing in this section shall be construed to require an insurer to alter the terms and conditions of the insuring agreement, subject to the dollar limits provided in the policy.”

Thank you for the opportunity to testify.

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

March 24, 2026

Filed via electronic testimony submission system

RE: SB 2961, SD1, Additional Living Expenses - NAMIC's Testimony in Opposition with proposed amendments

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the March 25, 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 appreciates the bill sponsors' desire to clarify the law as it relates to Additional Living Expenses (ALE) contractual benefits. NAMIC's member companies have a proven track-record of working closely with their policyholders to address the consumer's specific insurance needs as it relates to ALE benefits, so we believe that flexibility for insurers and consumer choice for policyholders as to their insurance coverage limits decisions should be the primary focus of this legislation.

NAMIC commends the Senate for addressing a number of our concerns via adopted amendments, but we are still concerned that the bill is inconsistent with standard ALE coverage provided by insurers in other states. Specifically, NAMIC is concerned that the extended duration of ALE to 36 months is unnecessary and likely to be an insurance rate cost-driver that could adversely impact affordability of the coverage for consumers. We also believe that this provision in the bill needs to clearly state that the ALE coverage is subject to the policy limits so that consumers are not unintentionally misled into believing that their ALE is more expansive than what is provided for in the insuring agreement.

Consequently, we recommend the following amendments: (underlined sections denote revised text)

431:10E-D Extended duration for additional living expenses benefits; state of emergency.

(a) In the event of a total loss caused by a peril that:

(1) Is covered under a homeowners insurance policy; and

(2) Occurred during a state of emergency, an insurer issuing or renewing a homeowners insurance policy in this State shall provide additional living expenses benefits for a minimum of twenty-four months from the date of the total loss.

(b) An insurer shall grant extensions of additional living expenses benefits in six-month increments for a total period of not more than thirty-six months if there are delays to the permanent rebuilding of the primary residence because of permitting issues, materials shortages, labor shortages, or other factors outside of the control of the insured, subject to the policy limits.

(c) Nothing in this section shall be construed to prohibit an insurer from allowing an insured additional time to collect: (1) The full replacement cost; or (2) Additional living expenses benefits beyond what is specified in the policy.

(d) Nothing in this section shall be construed to require an insurer to alter the terms and conditions of the insuring agreement, subject to the policy limits.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at 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

March 24, 2026

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

Re: Senate Bill (SB) 2961, Senate Draft (SD) 1, Relating to Insurance
Testimony **Support Intent Proposing Requested Amendments**

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

State Farm supports the general intent and the bill's purposes to provide Hawaii's insurance consumers with benefits for "additional living expenses" benefits when they suffer a total loss due to an emergency.

State Farm does not have any objections to the requirements under the bill to provide housing benefits, as well as ensuring prompt payment. However, the bill sets forth a minimum of thirty-six (36) months of these benefits.

These minimum durations will leave consumers with less choices and options for finding coverage that meets their needs and financial situations. Instead, State Farm proposes that the bill be amended to provide with a more reasonable minimum, but with options for 2 six month extensions to reach the same duration as provided in the original intent.

At pages 7-8, lines 11-10, State Farm proposes:

431:10E-D Extended duration for additional living expenses benefits; state of emergency.

(a) In the event of a total loss caused by a peril that: (1) Is covered under a homeowners insurance policy; and (2) Occurred during a state of emergency, an insurer issuing or renewing a homeowners insurance policy in this State shall provide additional living expenses benefits for a minimum of **thirty-six-twenty-four** months from the date of the total loss.

(b) An insurer shall grant extensions of additional living expenses benefits in six-month increments **for a total period of not more than thirty-six months** if there are delays to the permanent rebuilding of the primary residence because of permitting issues, materials shortages, labor shortages, or other factors outside of the control of the insured, **subject to the policy limits**.

(c) Nothing in this section shall be construed to prohibit an insurer from allowing an insured additional time to collect: (1) The full replacement cost; or (2) Additional living expenses benefits beyond what is specified in the policy.

(d) Nothing in this section shall be construed to require an insurer to alter the terms and conditions of the insuring agreement, **subject to the policy limits.**

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



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

March 24, 2026

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

Submitted via Hawai'i State Legislative Portal

RE: Strong Support for SB 2961 – Homeowners Insurance; Additional Living Expenses; ALE Benefits; Purchase or Lease of Temporary Primary Residence; Advance Payments; Extended Coverage

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

On behalf of United Policyholders¹ (“UP”), I write in strong support of SB 2961. This measure takes important steps to ensure that homeowners displaced by disasters have timely, practical access to additional living expenses (ALE) benefits so they can remain near their communities and rebuild with stability and dignity.

As the Legislature has recognized, Hawai'i faces unique challenges following catastrophic events, including limited housing supply, high rebuilding costs, and extended construction timelines. After a total loss, families often face long displacement periods and significant upfront housing costs. Delays in accessing ALE benefits or limitations on how those benefits may be used can force survivors into unstable housing, debt, or relocation away from their communities.

SB 2961 addresses these realities directly.

The bill requires insurers to issue a prompt advance payment of at least four months of ALE benefits following a total loss during a declared emergency, providing immediate housing stability at a critical moment. It also establishes a minimum thirty-six-month duration for ALE benefits, with extensions where rebuilding delays are outside the policyholder's control. These provisions recognize that disaster recovery in Hawai'i is complex and often prolonged due to permitting delays, material shortages, and labor constraints.

Importantly, SB 2961 does not expand policy dollar limits. Rather, it ensures that policyholders can meaningfully access the housing benefits for which they have paid premiums, and that contractual time limitations do not undermine the Legislature's intent to provide realistic recovery timelines during declared emergencies.

United Policyholders has worked extensively with policymakers and regulators across the country on post-disaster insurance recovery issues. Following major catastrophes, we consistently see that timely access to

¹ 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[®] 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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housing funds and realistic timeframes for displacement are critical to stabilizing families and communities. States that provide clear standards for advance payments, flexible housing options, and extended ALE timelines help ensure that insurance benefits serve their intended purpose: supporting recovery and allowing homeowners to rebuild as safely and efficiently as possible.

SB 2961 reflects these best practices. By improving flexibility in the use of ALE benefits, ensuring prompt advance payments, and aligning displacement timelines with Hawai'i's recovery realities, the bill strengthens consumer protection while maintaining policy limit integrity.

We respectfully urge your support for SB 2961.

Sincerely,

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

Amy Bach, Executive Director
United Policyholders

**Written Testimony in Support of SB 2961
Relating to Insurance**

Committee on Consumer Protection & Commerce

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

My name is Stacey Ann L. Casco, and I serve as a HUD Certified Housing Counselor & Community Engagement Specialist, working directly with disaster-impacted households throughout Maui. I am submitting this testimony in strong support of SB 2961, which strengthens housing stability during long-term disaster recovery.

In the aftermath of the Maui wildfires—and consistent with other major disaster recoveries—families have been displaced far longer than anticipated. In Hawai‘i, the rebuilding timeline is extended by permitting delays, labor shortages, supply chain challenges, and the exceptionally high cost of materials and construction. As a result, many clients exhaust their Additional Living Expenses (ALE) benefits long before their homes can be rebuilt.

When ALE benefits expire prematurely, families face untenable choices: taking on new debt, relocating away from their home communities, or moving into unstable or unsafe housing. These circumstances undermine family stability, slow community recovery, and increase reliance on nonprofit and government services.

From a housing counseling perspective, SB 2961 directly supports disaster-impacted households, reduces displacement, and aligns insurance practice with the realities of rebuilding in our state. Stable temporary housing is not only a matter of individual well-being; it is foundational to community-wide recovery.

For these reasons, I respectfully urge the Committee to pass SB 2961.

Respectfully,



Stacey Ann L. Casco

Phone: (808) 281-8047

Email: stacey.casco.maui@gmail.com

Support for SB 2961 – Additional Living Expenses (ALE) Reform

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, I've learned that many families in our community are displaced for far longer than expected. Rebuilding in Hawai'i takes a much longer time due to geographic isolation, preexisting housing shortage, high cost of living, and reliance on limited and fragile supply chains for construction materials. Yet, many homeowners' insurance policies provide limited additional living expenses (ALE) benefits that expire long before rebuilding can be completed.

SB 2961:

- Allows ALE benefits to be used for leasing a housing unit, including a manufactured home or RV
- Requires insurers to provide a prompt advance payment after a total loss during a declared emergency
- Establishes a minimum 36-month duration for ALE benefits when a total loss occurs during a declared emergency
- Allows extensions when rebuilding delays are outside the homeowner's control

This bill does not increase policy dollar limits. It ensures that families can meaningfully access the housing benefits they have already paid for.

I respectfully ask you to support SB 2961.

Mahalo,

Hi'ilei K. Casco
(808) 633-6604
hiilei@ponolegal.org

Support for SB 2961 – Additional Living Expenses (ALE) Reform

Subject: Strong Support for SB 2961 – Housing Stability After Disaster

Aloha Chair and Members of the Committee:

My name is [Name], and I am a resident of [Community]. I respectfully urge you to support SB 2961.

After the Maui wildfires and other recent disasters, many families in our community were displaced for far longer than expected. Rebuilding in Hawai'i takes time due to permitting delays, labor shortages, supply chain issues, and high construction costs. Yet many homeowners insurance policies provide limited additional living expenses (ALE) benefits that expire long before rebuilding can be completed.

When ALE benefits run out, families are forced into impossible choices — taking on debt, relocating away from their communities, or moving into unstable housing.

SB 2961 provides practical and necessary protections.

This bill:

- Allows ALE benefits to be used for leasing a housing unit, including a manufactured home or RV
- Requires insurers to provide a prompt advance payment after a total loss during a declared emergency
- Establishes a minimum 36-month duration for ALE benefits when a total loss occurs during a declared emergency
- Allows extensions when rebuilding delays are outside the homeowner's control

Importantly, this bill does not increase policy dollar limits. It ensures that families can meaningfully access the housing benefits they have already paid for.

Housing stability during disaster recovery protects families, preserves communities, and supports faster rebuilding.

I respectfully ask you to support SB 2961.

Mahalo for your consideration.

[Name]

[Community]

Shorter Version (For Quick Submissions)

Aloha Chair and Members,

I support SB 2961.

Rebuilding after disaster in Hawai'i takes years, not months. Additional living expenses benefits often expire before families can rebuild, forcing displacement or debt.

SB 2961 provides advance payments, allows flexible housing options, and ensures a minimum 36-month duration for ALE benefits during declared emergencies.

This bill supports housing stability and community recovery.

Please support SB 2961.

Mahalo,

[Name]

[Community]

Optional Personal Insert (You are encouraged to insert into the letter)

They can add:

- “My family was displaced for ____ months.”
- “We struggled to find stable housing.”
- “Rebuilding in our area has been delayed by permits and contractor shortages.”
- “Housing costs in our community are extremely high.”

Even one sentence makes testimony more powerful.

LATE

SB-2961-SD-1

Submitted on: 3/24/2026 4:23:04 PM

Testimony for CPC on 3/25/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Remotely Via Zoom

Comments:

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

My name is Jackie Keefe, and I am in **strong support of SB2961 SD1**, which addresses a critical gap in our disaster recovery framework.

I would like to begin by addressing several concerns raised in opposition to this measure.

First, SB 2961 does not expand policy limits or create new categories of coverage. It ensures that existing Additional Living Expenses (ALE) benefits function as intended during prolonged disaster recovery. The bill focuses on timing, access, and usability—not increasing insurer liability beyond what has already been contracted.

Second, concerns that this measure will significantly increase premiums overlook the reality that the primary cost drivers are systemic delays in rebuilding—permitting backlogs, workforce shortages, supply chain constraints, and Hawai‘i’s geographic isolation. These conditions already exist and are extending displacement timelines regardless of policy structure. This bill simply aligns insurance practices with those realities.

Third, while some argue that a thirty-six-month ALE duration is excessive, the lived experience in West Maui clearly demonstrates otherwise. More than two years after the August 2023 wildfires, many families are still unable to return home. Rebuilding in Hawai‘i is not measured in months—it is measured in years. A thirty-six-month baseline is not aspirational; it reflects current conditions.

Fourth, concerns about advance payments or flexibility in housing use must be considered alongside the current harm. Survivors are often required to front significant costs for deposits, rent, and relocation, forcing them into debt or unstable housing. SB 2961 maintains reasonable safeguards, including documentation requirements and a “reasonable and necessary” standard, while ensuring families can access housing when they need it most.

Finally, this Legislature has long recognized its role in regulating insurance to protect consumers, particularly during catastrophic events. A declared state of emergency is not a normal market condition, and policies must function accordingly.

LATE

I live and work in West Maui, where I have been actively engaged in community outreach and recovery efforts since the August 2023 wildfires. Through this work, I have seen firsthand the gap between what insurance policies assume and what recovery actually requires in Hawai'i.

Families are navigating prolonged displacement while managing mortgage payments on destroyed homes, rising rental costs, and complex rebuilding processes. Many are being forced to leave their communities—not because they want to, but because existing ALE timelines and structures are insufficient.

Housing stability is foundational to recovery. When families are able to remain in their communities, they are better able to oversee rebuilding, protect their land, and maintain cultural and social ties. When they are displaced, the impacts ripple outward—affecting workforce stability, local economies, and the long-term fabric of our communities.

Without reforms like SB 2961, Hawai'i risks normalizing prolonged displacement as an acceptable outcome of disaster recovery.

Importantly, this bill does not increase the total amount an insurer is required to pay under a policy. It ensures that benefits are accessible in a way that is practical, humane, and aligned with the realities of recovery in our state.

SB 2961 helps ensure that insurance fulfills its intended role: to provide stability and protection in times of catastrophic loss.

Mahalo for the opportunity to testify in strong support.

Jackie Keefe, Lahaina

LATE

SB-2961-SD-1

Submitted on: 3/25/2026 1:55:17 PM

Testimony for CPC on 3/25/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robin C Clark	Individual	Support	Written Testimony Only

Comments:

Aloha, honored lawmakers,

My husband and I , Randy & Robin Clark, have a non profit called Hope Homes Foundation-Owner Builder Program. We are working with the Lahaina & Kula wildfire survivors to rebuild their homes through our Owner Builder Program, to help them defray costs as they are already under insured , lacking funds to reuild. We created a weekly community meeting for the residents of Lahaina & Kula to guide them through every step of the building process. What we have found is that after 2 years, the survivors were just getting themselves emotionally and financially organized to get started. The first year, we were all in shock and the clean up of the toxic debri needed to be ccompleted before anyone could begin. It is taking time to recover as homeowners were also constantly being relocated through FEMA housing at the same time, very unsettling. The survivors need more time and resources longer than the brief allotted time from the insurance companies. Also, all these expenses are falling upon the County, State, and Federal entities and non profits. I strongly urge you to consider requiring the insurance companies to provide these allowances for disaster survivors.Thank you, Robin Clark