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**Alison Powers**  
Executive Director

## TESTIMONY OF ALISON POWERS

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HOUSE COMMITTEE ON ECONOMIC REVITALIZATION,  
BUSINESS & MILITARY AFFAIRS  
Representative Angus L.K. McKelvey, Chair  
Representative Isaac W. Choy, Vice Chair

Tuesday, March 17, 2009  
7:30 a.m.

### **SB 300, SD2**

Chair McKelvey, Vice Chair Choy, and members of the Committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. 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 60% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes Section 1** of S.B. 300, SD2. This bill would require certain classes of liquor licensees to carry liability insurance as a condition of acquiring or renewing a liquor license. It further requires insurers to notify the liquor commission of each county for termination or nonrenewal of a policy.

We do not know of any other state that imposes this duty on insurers. This bill would create significant administrative costs, which would ultimately be passed on to businesses. It would not show whether or not a business has liability insurance. A business may cancel a policy with one insurer, while obtaining insurance with another insurer. The terminating insurer will have no knowledge of this and the business will unfairly be reported as having no insurance.

Secondly, Class 5 licensees, which are the highest risk class of licensees, are insured by excess and surplus lines insurers. Such insurers are not under the jurisdiction of the Insurance Commissioner. This bill amends Chapter 431, Hawaii Revised Statutes, which does not apply to these insurers and therefore, would not be subject to this notification requirement.

If it is the intent to ensure that these businesses have liability insurance, the bill should be amended to require the business to show proof of insurance and not the insurer.

Thank you for the opportunity to testify.



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March 16, 2009

**The Honorable Angus L.K. McKelvey, Chair**  
House Committee on Economic Revitalization, Business,  
& Military Affairs  
State Capitol, Room 312  
Honolulu, Hawaii 96813

**RE: S.B. 205, S.D. 1 Relating to Owner-Builders**

**HEARING DATE: Tuesday, March 17, 2009 at 7:30 a.m.**

Aloha Chair McKelvey, Vice-Chair Choy and Members of the Committee:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR") and its 9,600 members in Hawai'i. HAR **opposes** S.B. 205, S.D 1, which increases the period prohibiting sale or lease by owner-builders from 1 to 2 years, unless due to circumstances as determined by the contractors licensing board, and requires that an exemption from licensing requirements is given no more than once in 3 years.

HAR opposes the increase of time restrictions as proposed in the bill. The existing exemption at Hawaii Revised Statutes § 442-2 exempts persons who qualify as owner-builders from the contracting licensing law. Under the present law, construction work for hire must be performed by licensed contractors. Thus, where an owner-builder acts as a supervisor, he or she also must hire licensed subcontractors.

HAR is not opposed to additional enforcement requirements through increased fines or cease-and-desist orders for owner-builders that violate the law. However, increasing the time frame from 1 to 2 years to for an owner-builder to be able to sell or lease the property is a disservice to legitimate homeowners. This will only add to the lack of properties eligible for sale or lease, and will limit options in a housing market where there is already a shortage of affordable housing.

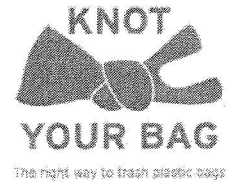
Finally, HAR is concerned with the provision on page 3, lines 14-15, which leaves discretion to the Board for determining the circumstances under which an exception would be granted. We are concerned that no guidelines, timelines or other information are provided regarding how the Board would determine that exceptional circumstances exist.

Mahalo for the opportunity to testify.



## HAWAII FOOD INDUSTRY ASSOCIATION

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March 17, 2009

To: House Committee on Economic Revitalization, Business & Military Affairs  
Rep. Angus L.K. McKelvey, Chair  
Rep. Isaac W. Choi, Vice Chair

By: Richard C. Botti, President  
Lauren Zirbel, Government Relations

Re: SB 300 SD2 RELATING TO INTOXICATING LIQUOR

No objections to requirement, but do request amendments.

Chairs & Committee Members:

Generally, leases require liquor liability insurance and we believe all legitimate retailers carry such coverage as a necessity to conduct business.

SECTION 4 §281-61 Renewals. We oppose each section that requires each liquor commission review and set the amount of the coverage. It is conceivable that we could end up with different amounts for different counties. This should be set in §281 where the amounts are assured to be the same for all counties. We have too many multi-county establishment, and we need continuity. We propose the following wording replace those sections requiring each commission to determine the minimum coverage every two years, and instead leave this to the legislature: The amount of insurance coverage required shall be at least \$1,000,000.

Other concerns include:

- Rather than the insurer notifying the commission of a non-renewal, the commission can easily require the retailer to submit certification of coverage to the commission with each license renewal. This should simplify the process for both the licensee and the commission; and
- Under the provisions of SB 300, SD2, proof of coverage must be maintained at each licensed premises. We request that page 18, lines 21 & 22 be changed to allow proof of coverage to be at the corporate headquarters for licensees with multiple licensees. This can be done by adding the words "corporate headquarters" as follows: Proof of coverage shall be made available at corporate headquarters or at the licensee's premises. We have firms that have as many as fifty licensed establishments.