### A BILL FOR AN ACT

RELATING TO HURRICANE PROPERTY INSURANCE.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that increases in
- 2 hurricane property insurance premiums for Hawaii homeowners over
- 3 the past twenty years have outpaced inflation and construction
- 4 expenses despite no significant hurricane damage to the islands.
- 5 The legislature also finds that the current map hurricane
- 6 property insurance providers use to determine risk and premiums
- 7 is outdated and not reflective of actual damages.
- 8 The purpose of this Act is to require hurricane property
- 9 insurers to develop and approve new maps based upon actual
- 10 damages to be used as the base to set hurricane property
- 11 insurance premiums.
- 12 SECTION 2. (a) After December 31, 2013, no hurricane
- 13 property insurer shall charge hurricane property insurance rates
- 14 that are higher than the rates the insurer charged on January 1,
- 15 1992, until the insurer creates and approves a geographic
- 16 specific disaster model containing property zones depicting
- 17 actual damages and losses from previous hurricanes. The map
- 18 shall not take into account predicted damages and losses.



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- 1 (b) If a current hurricane property insurer did not
- 2 provide hurricane property insurance in Hawaii during 1992, the
- 3 provider shall charge rates based upon the average 1992 premiums
- 4 for similar property in similar locations.
- 5 SECTION 3. (a) Until the requirements of section 2 are
- 6 met and notwithstanding any law to the contrary, the insurance
- 7 commissioner shall not approve any rate filings that request an
- 8 increase in hurricane property insurance rates.
- 9 (b) The insurance commissioner shall enforce the rate
- 10 rollback required by this Act.
- 11 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

JAN 17 2012

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### Report Title:

Hurricane Property Insurance; Map; Premiums; Rates; Homeowners

### Description:

Decreases hurricane property insurance rates to 1992 levels until the hurricane property insurers draft a map based upon actual hurricane damage.

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