

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Thursday, February 3, 2022
2:00 p.m.

HB 1784

Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of the 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 support efforts to encourage the prompt maintenance and repair of condominium buildings in Hawaii. Many condominiums have been built in the 1970's and 1980's and now require major repairs to keep the buildings operational. These changes are often structural as we live in an island state surrounded by salt water. Pipes in buildings do not last forever and many have exceeded their lifespan but have not been replaced. Compounded by interior sprinkler requirements or the equally or more expensive fire life safety requirements, many in condominiums are not keeping up with the necessary repairs and maintenance because of cost.

Continued losses in this area mostly due to water losses from failed pipes in buildings have caused the market for condo building insurance to stagnate and insurers are reluctant to enter the market. The way condo associations operate and how decisions are made is a flawed system that relies upon the very owners who must pay for these repairs and maintenance to make the decision to increase every owner's costs. Many

times, Boards are unable to increase their maintenance fees to an appropriate level because they cannot get the requisite number of votes. Even then, Boards are and have been thrown out by a new Board who refuses to approve increases to maintenance fees even though they may be sorely needed. Most buildings here are in need of repair or replacement and are not on schedule. The process in which to make these big decisions, get estimates, have the Board or membership vote on financing and then to get the project started takes years. In the meantime, losses continue as components in the buildings fail.

The property insurance market is changing worldwide as we are experiencing the adverse impact of climate change. In addition, aging properties and properties that are not hardened against increasing weather events will have to pay more to insure themselves. Increasing losses impact reinsurers who provide insurance for insurance companies. Reinsurers provide worldwide coverage for insurers and a hardening market directly impacts what insurers must charge for their products.

We hope that measures such as these encourage those who own units in condominiums to make the appropriate investment to maintain their units.

Thank you for the opportunity to testify.

HCCA

Hawaii Council of Community
Associations
www.hawaiicouncil.com

January 31, 2022

Representative Aaron Johanson, Chair
Representative Lisa Kitagawa, Vice-Chair
House Committee on Consumer Protection and Commerce

Re: HB1784 Relating to Building Inspection. Testimony in Support/with Comments
Thursday, February 3, 2022 at 2 p.m.

Chair Johanson, Vice-Chair Kitagawa and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCCA).

HCCA supports the intent and purpose of the bill to ensure the structural integrity of residential buildings and asks that this bill be passed out with the amendments proposed by CAI.

Thank you for allowing me to testify on this bill.


Jane Sugimura
President

HB-1784

Submitted on: 2/1/2022 6:04:01 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
lynne matusow	Individual	Support	No

Comments:

Good start. Cannot have Florida's Surfside collapse repeated here. I am a condo owner and board member and my association is in the forefront up making sure the building has no defects. We have spent millions on the building envelope project, waterproofed lanais which the developer in the early 1980s omitted, repaired spalling on the outside of the buildings, and are sociking away money to pay for window replacements. I know other associations who do not want to spend money to keep their buildings upgraded. That is shameful. If this bill passes, it will change the discussion for the better.

House of Representatives
Committee on Consumer Protection and Commerce
Thursday, February 3, 2022
2:00 p.m.

To: Chair Aaron Ling Johanson
Re: HB1784, Relating to Building Inspections

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the Committee,

I am Lila Mower, president of Kokua Council, one of Hawaii's oldest advocacy groups. We focus on policies and practices which can impact the well-being of seniors and our community.

I am also the leader of Hui 'Oia'i'o, informally known as "COCO," a coalition of over three hundred property owners--mostly seniors--from over 150 common-interest associations in Hawaii.

I **support HB1784** but find it too narrow, requiring periodic inspections of only "exterior walls and appurtenances thereto."

To ensure greater safety and protect health, it is more important to require periodic inspections of the structural integrity of the building, including infrastructure (plumb lines, electrical/cable/wire chases, vents and ducts, etc.), which may also be located in the interior of these buildings.

I suggest that Legislators look at a more comprehensive and protective proposed measure in Florida's legislature, SB1702, and which can be accessed by this link <https://www.flsenate.gov/Session/Bill/2022/1702/BillText/Filed/HTML>. This Florida measure is applicable to high-rise multifamily residences, was written to in reaction to the June 2021 collapse of Champlain Towers South in Miami-Dade, and can be adapted to Hawaii as many, perhaps most, of Hawaii's high-rise condos were built before 1980, and thus exceed 40 years of age.

It is time to ensure that our buildings are safe for residents and guests to occupy and use.

Because the cost of these inspections, reports, and any subsequent required repairs must be borne by the buildings' owners, Legislators should ensure that these reports are available to condominium unit owners and must not be withheld from owners under the guise of "confidential" and "potentially litigious in nature" as some association boards tend to do, saving these reports as "insider information" for their own benefit.

HB-1784

Submitted on: 2/1/2022 10:09:06 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marcia Kimura	Individual	Support	No

Comments:

This is easier said than done. What or who will enforce requirements to act on needed repairs and findings of defects?

HB-1784

Submitted on: 2/2/2022 1:28:08 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
R Laree McGuire	Individual	Support	No

Comments:

Support with amendments. Mahalo.

LATE

HOUSE OF REPRESENTATIVES
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

NOTICE OF HEARING

DATE: Thursday, February 3, 2022
TIME: 2:00 p.m.
PLACE: VIA VIDEOCONFERENCE
Conference Room 329
State Capitol
415 South Beretania St.
Honolulu, Hawaii 96813

Re: Comments on HB1784

Mahalo for the opportunity to offer comments on HB1784 as an individual citizen.

Although well intended, HB1784 circumvents the authority and responsibility delegated to the counties to inspect and enforce the building codes and standards, which includes issuing building permits and certificates of occupancy. HB1784 also creates additional responsibilities for an already over-burdened state building code council.

HB2243 which authorizes the appropriate county building official to require a building or structure to be reinspected is a more appropriate approach to accomplish the goals and objectives of this measure and allows for further and more robust discussion amongst all stakeholders including but not limited to building/unit owners, property management companies, AOA's, building officials, engineers etc.

Please hold this measure and consider HB2243 in its place. Mahalo for your consideration.

Kika G. Bukoski