
A BILL FOR AN ACT

RELATING TO THE HAWAII PROPERTY INSURANCE ASSOCIATION.

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

1 SECTION 1. The legislature finds that the existing
2 composition of the board of directors of the Hawaii property
3 insurance association does not adequately represent the
4 interests of the public.

5 The legislature further finds that climate change has
6 drastically impacted Hawaii, through an increase in natural
7 disasters. However, because of the State's unique geography,
8 the challenges posed by these disasters vary depending on where
9 in the State they occur. The Hawaii property insurance
10 association is the State's insurer of last resort; however its
11 board, which represents the State's communities, is centered
12 around appointments made by the insurance commissioner. A
13 change in the appointment mechanism for membership on the board
14 of directors of the association is needed to allow comprehensive
15 statewide representation of the State's diverse geographic areas
16 and communities.



1 Accordingly, the purpose of this Act is to amend the
2 composition of the board of directors of the Hawaii property
3 insurance association by increasing the number of public members
4 from three to four and requiring the speaker of the house of
5 representatives and president of the senate, rather than the
6 insurance commissioner, to appoint the public members.

7 SECTION 2. Section 431:21-104, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§431:21-104 Board of directors.** (a) The board of
10 directors shall have responsibility and control over the
11 organization, management, policies, and activities of the
12 association. The board of directors of the association shall
13 consist of [~~twelve~~] thirteen persons serving terms as
14 established in the plan of operation. The board shall be
15 composed of:

- 16 (1) Eight voting members selected by the member insurers;
17 (2) One voting member appointed by the commissioner to
18 represent insurance producers; [~~and~~]
19 (3) [~~Three~~] Two voting members appointed by the
20 [~~commissioner~~] speaker of the house of representatives
21 to represent the public[~~-~~]; and



1 (4) Two voting members appointed by the president of the
2 senate to represent the public.

3 (b) [~~The~~] Except for voting members representing the
4 public, the commissioner shall appoint the initial members of
5 the board of directors. All member insurers shall be fairly
6 represented on the board.

7 (c) Members of the board may be reimbursed from the assets
8 of the association for reasonable expenses incurred by them as
9 members of the board of directors."

10 SECTION 3. The term of each existing public member of the
11 board of directors of the Hawaii property insurance association
12 in office as of the day before the effective date of this Act
13 shall terminate on . The speaker of the house of
14 representatives and president of the senate shall appoint the
15 public members of the board as required by section 431:21-
16 104(a) (3) and (4), Hawaii Revised Statutes, as amended by
17 section 2 of this Act, no later than .

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.


20 SECTION 5. This Act shall take effect on July 1, 2024.



H.B. NO. 2048

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INTRODUCED BY:



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JAN 19 2024



H.B. NO. 2048

Report Title:

Hawaii Property Insurance Association; Board of Directors;
Composition

Description:

Increases the number of public members on the board of directors of the Hawaii Property Insurance Association from three to four. Requires the Speaker of the House of Representatives and Senate President, rather than the Insurance Commissioner, to appoint the public members.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

