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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS TO  
CONVENE A WORKING GROUP TO STUDY AND DEVISE COMPREHENSIVE  
STRATEGIES TO RESTORE ACCESSIBLE INSURANCE OPTIONS TO  
RESIDENTS AND COMMERCIAL BUSINESSES IN LAVA ZONES 1 AND 2.

1           WHEREAS, volcanic eruptions can present a threat to  
2 residences and commercial property within certain high-risk  
3 areas, such as those on Hawai'i island designated as Lava Zones 1  
4 and 2 by the United States Geological Survey; and

5  
6           WHEREAS, despite the recent volcanic eruption in Lava Zones  
7 1 and 2 on Hawai'i island, and the associated risks, development  
8 in these areas has continued, in large part due to the high  
9 demand for affordable housing; volcanic tourism and its  
10 importance to the local economy; and cultural or religious ties  
11 to Kilauea, Mauna Loa, and the surrounding areas; and

12  
13           WHEREAS, while a stable and affordable insurance market can  
14 provide financial security for those residing in or operating a  
15 commercial business in high-risk lava zone areas, private  
16 insurance carriers have, for the most part, largely remained  
17 reluctant to provide this much needed product; and

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19           WHEREAS, this problem has been exacerbated by the Universal  
20 Property and Casualty Insurance Company's (UPCIC) decision to  
21 withdraw from the homeowners, condominium, and renters insurance  
22 market in the State by August 31, 2024, impacting approximately  
23 one thousand policyholders on Hawai'i island -- many of whom are  
24 located in a high-risk lava zone area; and

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26           WHEREAS, for those Hawai'i island homeowners living in Lava  
27 Zones 1 and 2, their sole remaining insurance provider, the  
28 Hawaii Property Insurance Association (HPIA) -- a state-run  
29 insurer of last resort that does not offer policy options for  
30 commercial businesses -- has offered replacement insurance at  
31 premium rates nearly three to four times higher than that of



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1 UPCIC, citing the rising costs of building materials, supply  
2 chain issues, a loss of reserves following the 2018 Kilauea lava  
3 flow, and the increased costs of reinsurance; and  
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5 WHEREAS, the drastically higher premium rates for residents  
6 in Lava Zones 1 and 2 are causing significant financial  
7 insecurity and hardships, especially for individuals looking to  
8 finance the purchase of property or vulnerable individuals and  
9 low-income families; and  
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11 WHEREAS, it is necessary for the State to take steps to  
12 resolve this pressing issue and ensure that residents and  
13 businesses in Lava Zones 1 and 2 have access to an affordable  
14 and equitable insurance market; now, therefore,  
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16 BE IT RESOLVED by the House of Representatives of the  
17 Thirty-second Legislature of the State of Hawaii, Regular  
18 Session of 2024, the Senate concurring, that the Director of  
19 Commerce and Consumer Affairs is requested to convene a working  
20 group to study and devise comprehensive strategies to restore  
21 accessible insurance options to residents and commercial  
22 businesses in Lava Zones 1 and 2; and  
23

24 BE IT FURTHER RESOLVED that the working group is requested  
25 to explore various means of assisting affected residents and  
26 businesses, including:  
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- 28 (1) Evaluating the equitable application of policy  
29 premiums;
- 30 (2) Decreasing HPIA policy premiums and expanding coverage  
31 to include commercial businesses;
- 32 (3) Implementing subsidies or financial assistance  
33 programs to mitigate the financial burden for  
34 vulnerable residents in Lava Zones 1 and 2;
- 35 (4) Exploring the creation of a risk pooling mechanism;  
36 and  
37
- 38 (5) Exploring any other feasible solutions, pursuant to  
39 the discretion of the working group; and  
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2 BE IT FURTHER RESOLVED that the working group is requested  
3 to comprise the following members:

- 4  
5 (1) The Director of Commerce and Consumer Affairs, or the  
6 Director's designee, who is requested to serve as  
7 Chairperson of the working group;  
8  
9 (2) The Insurance Commissioner, or the Commissioner's  
10 designee;  
11  
12 (3) One member of the Senate, to be appointed by the  
13 President of the Senate;  
14  
15 (4) One member of the House of Representatives, to be  
16 appointed by the Speaker of the House of  
17 Representatives;  
18  
19 (5) The Mayor of the County of Hawai'i, or the Mayor's  
20 designee;  
21  
22 (6) The Chairperson of the Hawai'i County Council, or the  
23 Chairperson's designee;  
24  
25 (7) The Chairperson of the Board of Directors of the  
26 Hawaii Property Insurance Association;  
27  
28 (8) One small business owner in Hawai'i County whose  
29 principal place of business is located within Lava  
30 Zones 1 or 2, to be selected by the Chairperson of the  
31 working group;  
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33 (9) One homeowner in Hawai'i County whose residence is  
34 located within Lava Zones 1 or 2, to be selected by  
35 the Chairperson of the working group; and  
36  
37 (10) Any other member deemed necessary by the working  
38 group; and  
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40 BE IT FURTHER RESOLVED that an initial meeting of the  
41 working group be convened no later than July 1, 2024; and  
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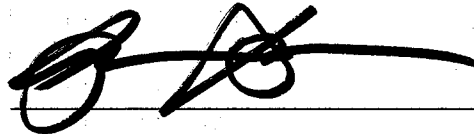
1 BE IT FURTHER RESOLVED that the working group is requested,  
2 with the assistance of the Department of Commerce and Consumer  
3 Affairs, to submit a report of its findings and recommendations,  
4 including any proposed legislation, to the Legislature no later  
5 than twenty days prior to the convening of the Regular Session  
6 of 2025; and

7  
8 BE IT FURTHER RESOLVED that the working group is requested  
9 to be dissolved on June 30, 2025; and

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11 BE IT FURTHER RESOLVED that certified copies of this  
12 Concurrent Resolution be transmitted to the President of the  
13 Senate, Speaker of the House of Representatives, Director of  
14 Commerce and Consumer Affairs, Insurance Commissioner, Mayor of  
15 the County of Hawai'i, Chairperson of the Hawai'i County Council,  
16 and Chairperson of the Board of Directors of the Hawaii Property  
17 Insurance Association.

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OFFERED BY: \_\_\_\_\_



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