

MAR 0 1 2024

SENATE CONCURRENT RESOLUTION

REQUESTING HOMEOWNERS INSURERS TO ESTABLISH A LOSS-CONTROL PROGRAM AIMED AT REDUCING THE RISK OF LOSS OR MITIGATING DAMAGE TO INSURED PROPERTY CAUSED BY THE PERIL OF FIRE.

1 WHEREAS, the State had the highest homeowner's insurance
2 markup rates of any state from 1996 to 2021; and

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4 WHEREAS, a recent analysis revealed that the State has been
5 historically lucrative for insurers as insurers have been
6 raising premium rates without having to pay out many claims; and

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8 WHEREAS, the August 2023 Maui wildfires devastated the
9 historic town of Lahaina; and

10
11 WHEREAS, many residents of Lahaina during the August 2023
12 Maui wildfires did not have homeowner's insurance, likely due to
13 the high cost of homeowner's insurance premiums in the State;
14 and

15
16 WHEREAS, one wooden house in the center of Lahaina, now
17 known as the "Miracle House", survived relatively unscathed due
18 to certain loss-control measures the owner implemented,
19 including removing the landscaping directly surrounding the
20 house and replacing it with river stones; and

21
22 WHEREAS, many insurers have loss-control programs that are
23 not only designed to help policyholders reduce risks of damage
24 and loss from certain perils, but also benefit both the
25 policyholder, who is rewarded with reductions to their insurance
26 premium rates, and the insurer, who is less likely to have to
27 pay out on claims; and

28
29 WHEREAS, insurers should offer discounted premium rates for
30 certain policyholders in the State who, like the owner of the
31 "Miracle House", implement loss-control measures, including
32 removing flammable material, debris, and vegetation within



1 certain perimeters of the insured property; removing risks of
2 fire caused by lava; and using inflammable material in the
3 construction or renovation of the insured property; now,
4 therefore,
5

6 BE IT RESOLVED by the Senate of the Thirty-second
7 Legislature of the State of Hawaii, Regular Session of 2024, the
8 House of Representatives concurring, that homeowners insurers
9 are requested to establish a loss-control program aimed at
10 reducing the risk of loss or mitigating damage to insured
11 property caused by the peril of fire; and
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13 BE IT FURTHER RESOLVED that the loss-control program
14 established is requested to:
15

- 16 (1) Begin on January 1, 2025;
- 17
- 18 (2) Comply with all rules adopted by the Insurance
19 Commissioner; and
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- 21 (3) Grant to an applicant a discount in the applicant's
22 homeowners insurance premiums for insured property
23 upon receipt of written verification from the
24 applicant that the applicant has implemented loss-
25 control measures at the insured property to lessen or
26 minimize an insured loss from the perils of fire,
27 including fire caused by wildfire, lava, or both,
28 including:
 - 29
 - 30 (A) Removal of flammable material, debris, and
31 vegetation within certain perimeters of the
32 insured property;
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 - 34 (B) Removal of risk of fire caused by lava; and
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 - 36 (C) Use of inflammable material in the construction
37 or renovation of the insured property; and
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39 BE IT FURTHER RESOLVED that the Insurance Commissioner is
40 requested to adopt rules for the loss-control program, including
41 prescribing the requirements for determining whether insured



S.C.R. NO. 24

1 property was constructed or renovated with inflammable material;
2 and

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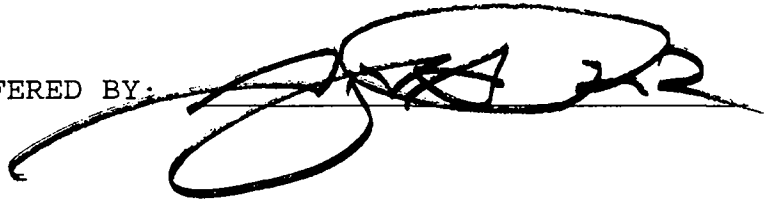
4 BE IT FURTHER RESOLVED that a certified copy of this
5 Concurrent Resolution be transmitted to the Insurance
6 Commissioner.

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OFFERED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and difficult to decipher, but appears to contain the letters 'J.R.' or similar.