

STAND. COM. REP. NO. 3219

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2048  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2048, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII PROPERTY INSURANCE ASSOCIATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the number of public members on the Board of Directors of the Hawaii Property Insurance Association from three to four; and
- (2) Require the Speaker of the House of Representatives and President of the Senate, rather than the Insurance Commissioner, to appoint the public members.

Your Committee received testimony in support of this measure from Hawaii First Realty LLC and three individuals.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and Hawai'i Property Insurance Association.

Your Committee finds that the Hawaii Property Insurance Association (HPIA) is a state-run insurer of last resort that



provides basic property insurance for persons unable to purchase homeowners coverage in the private market. Under existing law, the HPIA board, which has the responsibility and control over the organization, management, policies, and activities of the HPIA, consists of twelve members, three of whom are public members appointed by the Insurance Commissioner. Your Committee finds that the existing appointment process is not representative of, or responsive to the State's diverse geographic areas and communities. Therefore, this measure amends and improves the HPIA board member selection process to increase statewide representation and ensure that all communities have a seat at the table.

Your Committee has amended this measure by:

- (1) Inserting an unspecified number of public members to be appointed to the Board of Directors of the Hawaii Property Insurance Association by the Speaker of the House of Representatives and the President of the Senate, respectively, to encourage further discussion;
- (2) Making a conforming amendment by inserting an unspecified number of total members to compose the Board of Directors of the Hawaii Property Insurance Association;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2048, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



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JARRETT KEOHOKALOLE, Chair

