

**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I**  
**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

**NADINE Y. ANDO**  
DIRECTOR | KA LUNA HO'OKELE

**DEAN I HAZAMA**  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**KA 'OIHANA PILI KĀLEPA**  
335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: (808) 586-2850  
Fax Number: (808) 586-2856  
cca.hawaii.gov

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the**  
**Senate Committee on Commerce and Consumer Protection**  
**Thursday, March 14, 2024**  
**9:30 a.m.**  
**State Capitol, Conference Room 229 and via videoconference**

**On the following measure:**  
**H.B. 2056, H.D. 1, RELATING TO INSURANCE**

Chair Keohokalole and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports the intent of this bill.


The purpose of this bill is to establish the State Reinsurance Exploratory Working Group to study the feasibility of establishing a state-run reinsurance program to ensure affordable coverage for property owners against catastrophic events, require a report to the legislature, and appropriate funds.

We support the intent of the bill. We note that there are discussions in Congress to create a reinsurance program.

Thank you for the opportunity to testify on the bill.



 808-733-7060  
 808-737-4977

 1259 A'ala Street, Suite 300  
Honolulu, HI 96817

March 14, 2024

**The Honorable Jarrett Keohokalole, Chair**

Senate Committee on Commerce and Consumer Protection  
State Capitol, Conference Room 229 & Videoconference

**RE: House Bill 2056, HD1, Relating to Insurance**

**HEARING: Thursday, March 14, 2024, at 9:30 a.m.**

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR **supports** House Bill 2056, HD1, which establishes the State Reinsurance Exploratory Working Group to study the feasibility of establishing a state-run reinsurance program to ensure affordable coverage for property owners against catastrophic events. Requires a report to the Legislature. Appropriates funds. Effective 7/1/3000.

As an island state, Hawaii has its unique geographical and environmental challenges, including from the recent Maui wildfires, flooding, lava flows, or other natural disasters. Establishing a Working Group to explore the feasibility of state-run insurance coverage is a proactive and strategic approach to help explore mitigating the liabilities faced by private reinsurance companies and, in turn, ensuring affordable coverage for property owners against catastrophic events.

For the foregoing reasons, the Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.



**HB-2056-HD-1**

Submitted on: 3/10/2024 12:11:10 PM

Testimony for CPN on 3/14/2024 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Emery	Testifying for Hawaii First Realty LLC	Support	Written Testimony Only

Comments:

SUPPORT

**HB-2056-HD-1**

Submitted on: 3/8/2024 6:14:14 PM

Testimony for CPN on 3/14/2024 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Brandon Madix	Testifying for Palehua Townhouse Association	Support	Written Testimony Only

Comments:

Our association supports HB2056. Please pass this bill.

Mike Golojuch, Sr., President

**HB-2056-HD-1**

Submitted on: 3/8/2024 5:08:44 PM

Testimony for CPN on 3/14/2024 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Scott Kidd	Individual	Support	Written Testimony Only

Comments:

I support this measure

Eileen O'Hara, Ph.D.  
15-2782 Papio Street  
Pahoa, HI 96778

**LATE**

Date: March 13, 2024

TO: Committee on Commerce and Consumer Protection, Chair, Jarrett Keohokalole

FROM: Hawaiian Shores Community Association, HOA for 1293 properties

RE: Support for HB 2056 HD1

Aloha Honorable Chair and Committee members,

As you are aware, the property insurance industry is in a state of disarray with the increase in climate change related events. While the Hawaii Property Insurance Agency (HPIA) was created in 1991 and ONLY focused on lava events on the Big Island using USGS hazard maps as if they were actual risk assessments to discriminate against homeowners and businesses in certain parts of Lava Zones 1 & 2, the reality in 2024 is that most of the State of Hawaii is subject to natural disasters due to impacts of climate change. There has been an increase in fires, floods, droughts, hurricanes, extreme wind events and we're just starting to experience the negative impacts of sea level rise on private and commercial properties. On top of those potential natural disasters, we also have earthquakes and tsunamis that can affect multiple islands.

Please take this seriously! We need to take steps now to reshape the HPIA to address these changing conditions. The Big Island isn't the only place subject to natural disasters driven by climate change. The fires on Maui last year resulted in significant loss of life while at the same time, Hawaii County Fire Department was struggling to contain fires in the north end of the island. We need to investigate ways to improve the reinsurance markets to provide equitable relief to all of the state rather than attempt to extract exorbitant insurance fees to live in the Puna district of the Big Island which is now home to over 50,000 people out of the island's 200,000+ individuals. Puna is also the only affordable place for many Hawaiian families to locate and raise their families. This bill is an attempt to make the changes necessary to keep our population safe while residing in the state. **Please support HB 2056 HD1.**

I submit this testimony as an individual, yet am also the board President of Hawaiian Shores Community Association one of the many subdivisions that are located in Lava Zone 2 with nearly 1,300 residential properties. While we're right on the border of Lava Zones 2 & 3, we are being very adversely impacted **by HPIA's practices which have resulted in a rise of annual property insurance policies by anywhere from 4 to 10 times what we previously paid before Universal Property Insurance pulled out of the state.** With tens of thousands of people impacted, we need your help to develop an appropriate path forward as many are losing their homes to foreclosure as they can't afford this tremendous increase in insurance policy costs.

Respectfully requesting your support of HB 2056 HD1

*Eileen O'Hara*

**HB-2056-HD-1**

Submitted on: 3/13/2024 12:01:03 PM

Testimony for CPN on 3/14/2024 9:30:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Timothy j Rowan	Testifying for Malama O Puna, ( nonprofit) and self	Support	Written Testimony Only

Comments:

Aloha, I'm in support HB2056 , we need to take action, our insurance crisis is driving locals to insecurity. Please help the people of Hawaii. Mahalo Tim