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# 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 public member appointments made by the insurance  
13 commissioner. A change in the appointment mechanism for  
14 membership on the board of directors of the association is  
15 needed to allow comprehensive statewide representation of the  
16 State's diverse geographic areas 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. Notwithstanding the Hawaii property insurance  
11 association's plan of operation, the term of each existing  
12 public member of the board of directors of the Hawaii property  
13 insurance association in office as of the day before the  
14 effective date of this Act shall terminate on             . The  
15 speaker of the house of representatives and president of the  
16 senate shall appoint the public members of the board as required  
17 by section 431:21-104(a) (3) and (4), Hawaii Revised Statutes, as  
18 amended by section 2 of this Act, no later than             .

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 Statutory material to be repealed is bracketed  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



1 SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

Hawaii Property Insurance Association; Board of Directors;  
Composition; Public Members

**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. Effective 7/1/3000. (HD1)

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

