



**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**  
**House Committee on Consumer Protection & Commerce**  
**Tuesday, February 27, 2024**  
**2:00 p.m.**

**State Capitol, Conference Room 329 and via Video Conferencing**

**On the following measure:**  
**H.B. 2049, RELATING TO INSURANCE**

Chair Nakashima and Members of the Committee:

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

The purpose of this bill is to require the Hawai'i Property Insurance Association to post information about its board members and an annual report on its website.

The Insurance Division supports the posting of information by the Hawai'i Property Insurance Association to create additional transparency.

Thank you for the opportunity to testify on this bill.

# HPIA

Hawaii Property Insurance Association  
700 Bishop Street Suite 1100  
Honolulu, HI 96813

February 26, 2024

TO: The Honorable Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Members of the House Committee on Consumer Protection & Commerce

FROM: Matthew Cheung  
HPIA Board Chairman

*Matthew Cheung 2/26/2024*

SUBJECT: **Comments on HB 2049, Relating to the Hawaii Property Insurance Association**

Thank you for the opportunity to provide written comments on HB 2049, Relating to the Hawaii Property Insurance Association. This bill amends Chapter 431, Hawaii Revised Statutes, Article 21 by adding a new section requiring the Hawaii Property Insurance Association to post on its website background information about the members of the board of directors, contact information, and an annual report on the status of the association. The annual report shall include but not be limited to a review of the board's management actions, justification for any rate adjustments, and financial and management reports.

HPIA consulted with Representative Ilgan previously and notified him last week that a new page entitled Board of Directors was added under the Welcome tab on its website, [Board of Directors & Hawaii Property Insurance Association \(hpiainfo.com\)](#). The page lists the board members, a brief bio of appointed board members and provides a way to correspond via email with the appointed board members. Additionally, there are links in the lower right on the home page of the HPIA website to contact each of the public representatives.

Publishing board member personal information is not appropriate as it can make board members vulnerable to identify theft and other forms of cybercrime. Malicious individuals may use this information to target board members or their families, leading to potential security risks.

HPIA has provided a list of current board members and provided a way for the public to correspond with them. Therefore, this bill is not necessary.

The HPIA operates as an insurance company and is under the supervision of the Hawaii Insurance Commissioner. The HPIA Plan of Operations, as filed and approved by the Insurance Commissioner, identifies the components of insurance rates for a residual market mechanism and requires that the rates be actuarially sound, adequate to cover operating expenses, including reinsurance costs, and projected losses and to avoid subsidy by the voluntary market. HPIA must adhere to the rate filing

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process and requirements for insurance companies as regulated by the Hawaii Insurance Commissioner. As such, HPIA rate filings include actuarial analysis, reinsurance expense exhibits, financial statements, rate pages and numerous supporting exhibits.

Rate filings are public information and can be accessed by going to SERFF Filing Access under Consumer Information on the Hawaii Insurance Division website, [Insurance | SERFF Filing Access \(hawaii.gov\)](#). People can contact the Hawaii Insurance Division if they want more information or would like assistance navigating the SERFF system.

HPIA has also expanded the Welcome/History of HPIA page of its website to include instructions on where to find rate filing information on the Hawaii Insurance Division website. The link to this page on the HPIA website is [Welcome/History of HPIA < Hawaii Property Insurance Association \(hpiainfo.com\)](#).

Audited financial statements are submitted to the Insurance Commissioner annually in accordance with §431:21-112 Reports.

Imposing mandatory public scrutiny on the board's management actions will discourage qualified individuals from serving on the board. The board of directors authority is granted to them via the Plan of Operations, which was filed and approved by the Hawaii Insurance Commissioner. The HPIA operates under the regulatory oversight of the Hawaii Insurance Commissioner who reviews and approves all rate change requests.

The information being requested is already accessible by the public, making this bill unnecessary.

Thank you for the opportunity to testify.

**Hawaii Property Insurance Association**

700 Bishop Street Suite 1100 Honolulu, HI 96813  
Phone: (808) 585-3524 • Fax: (808) 585-3510 • [hpia@marsh.com](mailto:hpia@marsh.com) • [www.hpiainfo.com](http://www.hpiainfo.com)