

Honolulu, Hawaii

APR 25 2025

RE: S.B. No. 1044  
S.D. 2  
H.D. 2  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1044, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STABILIZATION OF PROPERTY INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Amend state laws governing the Hawaii Property Insurance Association and the Hawaii Hurricane Relief Fund to enable these entities to underwrite certain insurance risks in the State that no standard insurer is currently willing to underwrite;
- (2) Appropriate funds as a loan to the Hawaii Property Insurance Association; and



- (3) Require the Insurance Commissioner to conduct a study to monitor and identify the most effective methods of stabilizing the property insurance market in the State.

Your Committee on Conference finds that many homeowners in the State are paying significantly high property insurance premiums and are seeing more notices of non-renewals, while small businesses are also struggling with premium hikes on their insurance policies. Your Committee on Conference further finds that the State's rising disaster risks and increasingly volatile conditions of the property insurance market have caused property insurance premiums for residents and businesses to increase drastically over the years, while condominium properties have seen the availability of building master insurance policies and unit owner insurance policy options decrease. Accordingly, your Committee on Conference finds that legislative action is necessary to help stabilize the property insurance market and ensure that property owners can access affordable property insurance coverage in the State. This measure seeks to provide much-needed stability in the insurance market for homeowners, businesses, and condominium associations in the State until market conditions improve.

Your Committee on Conference has amended this measure by:

- (1) Inserting legislative findings;
- (2) Clarifying that certain assessments, and their recoupment, shall be subject to the approval of the Insurance Commissioner;
- (3) Inserting a temporary mortgage recording fee amount of not more than \$44 per document and specifying the time period during which the fee shall be collected, and the duration of the assessment collected by the Hawaii Property Insurance Association, shall not exceed thirty-six months;
- (4) Establishing a Condominium Loan Program and Condominium Loan Revolving Fund to be administered by the Hawaii Green Infrastructure Authority to provide financing to qualified condominium associations for maintenance or repair projects to address deferred maintenance to further help stabilize the standard insurance market;
- (5) Inserting language to establish a Condominium Loan Loss Reserves Program to incentivize community development financial institutions to provide loans at competitive



rates and terms to condominium associations to allow them to perform necessary maintenance or make repairs;

- (6) Deleting language that would have made a general fund appropriation and instead inserting language to authorize the Director of Finance to issue \$20,000,000 in reimbursable general obligation bonds for fiscal year 2025-2026 for deposit into the Condominium Loan Revolving Fund, to be expended by the Hawaii Green Infrastructure Authority to administer the Condominium Loan Program;
- (7) Inserting an appropriation of \$5,000,000 for fiscal year 2025-2026 from the Hurricane Reserve Trust Fund to the Hawaii Green Infrastructure Authority for gap debt servicing repayments on the reimbursable general obligation bonds issued to the Hawaii Green Infrastructure Authority;
- (8) Deleting language that would have appropriated general funds that would have provided a loan to the Hawaii Property Insurance Association for administrative and start-up costs;
- (9) Authorizing the Director of Finance to issue \$30,000,000, rather than \$50,000,000, in reimbursable general obligation funds for deposit into the Hurricane Reserve Trust Fund, provided that the existing balance of the Fund is first committed, to provide working capital to finance permitted purposes, to be reimbursed by premiums collected on insurance policies issued by the Hawaii Hurricane Relief Fund and any other funds available to the Fund;
- (10) Changing its effective date to July 1, 2025, and abolishing the Condominium Loan Revolving Fund on June 30, 2047; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1044, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1044, S.D. 2, H.D. 2, C.D. 1.



Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

  
SCOT Z. MATSUMOTO  
Co-Chair

  
KYLE T. YAMASHITA  
Co-Chair

ON THE PART OF THE SENATE

  
JARRETT KEOHOKALOLE  
Chair

  
SHARON MORIWAKI  
Co-Chair



# Hawai'i State Legislature

## Record of Votes of a Conference Committee

CLR 206

Bill / Concurrent Resolution No.: <b>SB 1044, SD 2, HD 2</b>					Date/Time: <u>4/25/25 9:02</u>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KEOHOKALOLE, Jarrett, Chr.	✓				MATAYOSHI, Scot Z., Co-Chr.	✓			
MORIWAKI, Sharon Y., Co-Chr.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
FUKUNAGA, Carol	✓				CHUN, Cory M.	✓			
MCKELVEY, Angus L.K.	✓				TAM, Adrian K.	✓			
AWA, Brenton				✓	PIERICK, Elijah	✓			
TOTAL	A			1	TOTAL	S			
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
<b>Distribution:</b> <span style="margin-left: 20px;">Original</span> <span style="margin-left: 20px;">Yellow</span> <span style="margin-left: 20px;">Pink</span> <span style="margin-left: 20px;">Goldenrod</span>									
<span style="margin-left: 20px;">File with Conference Committee Report</span> <span style="margin-left: 20px;">House Clerk's Office</span> <span style="margin-left: 20px;">Senate Clerk's Office</span> <span style="margin-left: 20px;">Drafting Agency</span>									