

MAR 07 2025

SENATE RESOLUTION

REQUESTING THE INSURANCE COMMISSIONER TO PRODUCE A DETAILED
REPORT REGARDING THE STATE OF THE PRIVATE PROPERTY
INSURANCE INDUSTRY IN HAWAII.

1 WHEREAS, Hawai'i is experiencing an increase in natural
2 disasters, including hurricanes, wildfires, and volcanic
3 eruptions, which are causing widespread damage and contributing
4 to the growing financial strain on the State's residents; and
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6 WHEREAS, these natural disasters have led to an increase in
7 insurance premiums, with some private insurers raising their
8 rates significantly and others considering withdrawing from the
9 market altogether; and
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11 WHEREAS, insurers have claimed that the high financial
12 costs and regulatory burdens associated with providing insurance
13 in Hawai'i are threatening the survival of the private insurance
14 industry; and
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16 WHEREAS, the widespread withdrawal of private insurers from
17 the property insurance market would have severe consequences for
18 the State's residents and homeowners, further exacerbating the
19 housing crisis and threatening the ability of homeowners to
20 secure lending and to have a financial safety net in the event
21 of property loss or damage; and
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23 WHEREAS, the potential withdrawal of private insurers from
24 the State would leave many residents without access to necessary
25 homeowners' insurance coverage, including by threatening the
26 survival of essential insurance of last resort programs, such as
27 the Hawai'i Property Insurance Association, which would place
28 significant burdens on taxpayers and the State; and
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30 WHEREAS, to effectively respond to these concerns, the
31 Legislature must fully understand the state of the private
32 insurance market, including the financial health of insurers,
33 factors driving the rising premiums, and the potential impact of
34 more insurers withdrawing from the State; and



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2 WHEREAS, it is crucial to assess whether the State will be
3 left without any private insurers, and if so, what steps the
4 State can take to mitigate the potential risks to homeowners and
5 residents; and

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7 WHEREAS, the State must prepare for the possibility of a
8 universal withdrawal of private insurers from the property
9 insurance market, including by exploring the feasibility of the
10 State entering the market as a primary property insurance
11 provider, either through public insurance mechanisms or other
12 means, such as eminent domain, to acquire private insurance
13 companies if necessary; now, therefore,

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15 BE IT RESOLVED by the Senate of the Thirty-third
16 Legislature of the State of Hawaii, Regular Session of 2025,
17 that the Insurance Commissioner is requested to produce a
18 detailed report on the current state of private insurance
19 companies operating in Hawai'i; and

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21 BE IT FURTHER RESOLVED that the report is requested to
22 include specific findings regarding the factors that are driving
23 the increases in premiums, particularly in high-risk areas
24 affected by wildfires, hurricanes, and volcanic eruptions, as
25 well as the potential cost and regulation involved if the State
26 were to create a publicly administered insurance program; and

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28 BE IT FURTHER RESOLVED that the report is requested to
29 include information on the number of private entities providing
30 property insurance in the State and information on those
31 insurers' revenues, profits and losses, valuations, messages to
32 shareholders, and any other information the Insurance
33 Commissioner finds relevant to inform the Legislature about the
34 economic health of the private property insurance industry in
35 the State; and

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37 BE IT FURTHER RESOLVED that the report assess the
38 likelihood that one or more private property insurers will cease
39 operations in Hawai'i and the risk that the State will be left
40 without any private insurers; and

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1 BE IT FURTHER RESOLVED that the report provide
2 recommendations on the State's ability to enter the insurance
3 market as a primary property insurance provider if private
4 insurers exit the State, including an evaluation of whether and
5 how the State could use eminent domain to seize private property
6 insurance companies; and
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8 BE IT FURTHER RESOLVED that the Insurance Commissioner is
9 requested to submit the report to the Legislature no later than
10 twenty days prior to the convening of the Regular Session of
11 2026; and
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13 BE IT FURTHER RESOLVED that a certified copy of this
14 Resolution be transmitted to the Insurance Commissioner.
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OFFERED BY: _____

Karl Rhoad

