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**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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

**Before the**  
**House Committee on Public Safety**  
**Friday, January 31, 2025**  
**8:30 a.m.**

**State Capitol, Conference Room 411 and via videoconference**

**On the following measure:**  
**H.B. 1502, RELATING TO INSURANCE**

Chair Au Belatti 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 offers comments on this bill.

The purpose of this bill is to establish requirements for property and casualty insurers and policies for pre- and post-disaster protections.

While we appreciate the intent of the bill, the Department notes that requiring property and casualty insurers to pay out one hundred percent of the limit of content coverage without any documentation may result in payments which exceed the claimant's actual loss. This may result in higher premiums and less generous policies.

Additionally, the bill mandates that insurers provide policyholders additional living expense (ALE) coverage for at least twenty-four months to restore their homes to safe, sanitary, and habitable conditions and requires a minimum of thirty-six months to close a claim. Additionally, insurers must give policyholders two opportunities to extend the

period by six months. The Department acknowledges that these extensions may alleviate the impact of a difficult situation; however, we note that a mandate to provide additional coverage is much different than extending the period for paying claims. Mandated additional coverage and significant extensions will likely result in higher premiums, may influence property insurers' decisions to remain in Hawai'i, may discourage new insurers from entering Hawai'i, and ultimately may make it more difficult for property owners to obtain insurance.

Thank you for the opportunity to testify.

## TESTIMONY OF MICHAEL ONOFRIETTI

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COMMITTEE ON PUBLIC SAFETY  
Representative Della Au Belatti, Chair  
Representative Kim Coco Iwamoto, Vice Chair

Friday, January 31, 2025  
8:30 a.m.

### **HB 1502**

Chair Belatti, Vice Chair Iwamoto, and members of the Committee on Public Safety, my name is Michael Onofrietti, ACAS, MAAA, CPCU, Senior Vice President, Chief Actuary & Chief Risk Officer for Island Insurance, Board Chair and Chairman of the Auto Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit association of property and casualty insurance companies licensed to do business in Hawaii. Members companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council (HIC) **opposes** this bill. This bill contains many technical errors and extends insurance obligations beyond what is reasonable even in a declared state or local emergency. The bill will, in all likelihood, increase premiums for all homeowners and may discourage insurers from providing insurance to homeowners in Hawaii. An already extremely difficult Hawaii homeowners market could be exacerbated.

#### **Section 2 of the Bill**

Section 431:10E-A provides that the term “property and casualty insurer” or “insurer” has the same meaning as in section 431:3-401. This is erroneous for two reasons. First, the term “property and casualty insurer” in section 431:3-401 is too broad, because it includes not only insurers that sell property insurance (section 431:1-206), but also marine and transportation insurance (section 431:1-207), vehicle insurance (section 431:1-208), general casualty insurance (section 431:1-209), surety insurance (section 431:1-210), and

ocean marine insurance (section 431:1-211), none of which should be included in the scope of this bill. Second, the term “insurer” is not defined in section 431:3-401.

Section 431:10E-B is ambiguous because it does not specify when the sixty-day time frames would be triggered. It also conflicts with existing cancellation and nonrenewal time frames, at least in the context of motor vehicle insurance, without specifying that newly proposed section 431:10E-B would supersede existing statute (i.e., section 431:10C-112).

Section 431:10E-C misunderstands circumstances allowing insurance companies to cancel insurance policies. The standard property policy does not permit an insurance company to cancel a policy mid-term because of the number of claims filed by the policyholder. Accordingly, this section is unnecessary.

Section 431:10E-D, while well-intentioned, is too broad. It requires sixty-day grace periods to pay premiums in any declared state or local emergency. However, because of the broad emergency powers of the Governor and Mayors, the declared emergency may have no bearing on policyholders’ ability to pay premiums. The granting of grace periods should be left to individual insurance companies and the Insurance Commissioner as specific needs arise.

Section 431:10E-E requires insurers to adjust the premium and policy to reflect the actual state of the insured property. This mandate ignores the interests of the policyholder, who may request that all policy terms remain the same, and the requirements of mortgagees, whose interests are also protected by property policies encumbered by mortgages. This issue should not be legislated; it should be left to the policyholder, insurer, mortgagee, and lienholder to work out.

Section 10E-F requires insurers to provide additional living expense coverage for specified durations during a declared state of emergency. This provision, read literally, would impermissibly require insurers to modify their policies after an emergency is declared. This section also allows two six-month extensions to allow homes to be restored to “safe, sanitary, and habitable” conditions. This mandate conflicts with standard insurance policies that end additional living expense payments when the household can maintain its

“normal standard of living.” In a related vein, the requirement for insurers to provide a list of covered items under additional living expense coverage is difficult, if not impossible, because that “list” would vary from household to household. Most importantly, section 10E-F only provides a duration limit of coverage; it does not restrict coverage for additional living expenses to the limit of insurance in the policy. As a result, the purchased limit could be exceeded even before the time period elapses.

Section 10E-G requires coverage for 100% of the limit of contents coverage in a natural disaster. This mandate is unreasonable and potentially would provide a “windfall” to policyholders who have very little material possessions. The limit of insurance for “personal property” or contents in standard homeowners policies is usually a percentage of the limit of liability for the dwelling. The limit of insurance for personal property bears little relationship to the value of the policyholder’s actual possessions.

Section 431:10E-H requires the insurer to pay the “full amount of all replacement value,” including building code upgrades and extended replacement costs if the reconstruction cannot be completed within the time specified in the policy. This provision does not limit the insurer’s obligation to the policy limit and would result in increased premiums.

Section 431:10E-I requires payment of the “amount of the total loss” of the property, but does not limit the obligation to make that payment only when the insured property is, in fact, declared a total loss. Even in disaster, homes are damaged in different degrees.

### Section 3 of the Bill

The proposed extension of the time frames to provide written notice of cancellation or nonrenewal is illogical. Why should the notice time frames in a non-disaster situation be longer (75 days) than in a disaster-situation (60 days under section 431:10E-B). In addition, time frames in section 431:10-226.5 do not need to be extended beyond the existing ten-day period for cancellations and thirty-day period for nonrenewals. HIC is not aware that the current deadlines have caused problems outside of declared disasters and, in those situations, the Insurance Commissioner can decide whether to extend the deadlines.

Section 4 of the Bill

HIC does not object to this section of the bill.

Section 5 of the Bill

HIC objects to this proposed revision to section 657-7. That section does not apply to first-party claims of policyholders against their insurers.

For the foregoing reasons, HIC respectfully requests that this bill be held.

Thank you for the opportunity to testify.

Hawai'i State Legislature  
House Committee on Public Safety

January 30, 2025

*Filed via electronic testimony submission system*

**RE: HB 1502, Property and Casualty Insurance; Homeowners Insurance; Pre- and Post-Disaster Protections - NAMIC's Statement of Concerns, Questions and Recommended Revisions**

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the January 31, 2025, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

The National Association of Mutual Insurance Companies consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers. NAMIC member companies write approximately \$391 billion in annual premiums and represent 68 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance.

Insurers are committed to providing consumers with reasonable and appropriate insurance coverages, and pre- and post-disaster administrative process protections. NAMIC's members are reviewing all the provisions in the proposed legislation to evaluate their practical implications for insurers and their policyholders, and the overall impact some of these foundational changes to current law and well-established insurance practices would have for the health of the insurance marketplace. The public policy challenge here is finding the proper balance between necessary coverages and protections and affordability of the insurance product.

Consequently, NAMIC respectfully requests that this committee look beyond the straightforward question of whether consumers would benefit from all the proposed mandates and ask the questions: 1) Are the benefits to consumers of the proposed mandates worth the costs to the consumers? and 2) Should consumers be *forced* to purchase insurance benefits and protections they may not want or need and which they may not be able to afford in today's market?

If the committee believes that consumers should be *forced by law* to purchase the proposed benefits and protections, NAMIC offers the following preliminary concerns, suggestions, and request for clarification:

1. **431:10E-B Notice of Cancellation or nonrenewal:** This section requires written notice of "prospective cancellation" or non-renewal to the insured no fewer than 60 days prior to the effective date. The notice is also required to include the reasons for the cancellation or non-renewal and insurers are required to have "evidence of the mailing."

NAMIC is concerned that the language is vague and would appear to include *all types of property and casualty insurance* (e.g., homeowners, private passenger auto, commercial, etc.). It would also seem to capture all types of cancellations including cancellations due to non-payment. Is that the intent?

2. **431:10E-C Insurance disclosures on purchase notifications:** This section requires insurers to notify of the number of claims that might result in a cancellation and notify the policyholder if a particular claim triggers cancellation. It also requires insurers to notify the policyholder of any “important deadlines” 60 or 30 days before the deadline.

NAMIC is concerned that the language is vague (e.g., does this provision apply to all types of property and casualty policies? what is meant by an “important deadline”?). We also have concerns regarding compliance with the requirement as there are many issues that can impact underwriting and rating decisions.

3. **431:10E-D Grace period; state of emergency:** This section requires insurers to provide a sixty-day grace period on payment of policy premiums for those in the area of the emergency.

NAMIC respectfully requests clarification relating to the practical workings of this proposed requirement need to be clarified (e.g., what is meant by the “area of the emergency,” how extensions of the declared emergency be handled, is the grace period a one-time event.) We believe that this language needs to be carefully and precisely drafted so that it isn’t triggered routinely and excessively. Additional, while we understand the intent is to provide the policyholder with some relief after a loss, the consumer will be required to pay the past premium when the grace period expires which can result in new challenges for the insurance consumer.

4. **431:10E-E Adjustment of premium and policy limits post disaster:** This section requires insurers that renews a policy after a disaster to automatically adjust the limits to reflect the actual state of the insured property.

NAMIC’s members are concerned about the “automatic” adjustment requirement and the legal duty and liability this would create for insurers.

5. **431:10E-F Additional living expense coverage, option:** This provision requires companies to provide 24 months of coverage with two 6 month extensions following an emergency when the home is uninhabitable and two weeks of ALE when the person is evacuated.

NAMIC is concerned that this language is very broad and leaves lots of open questions. If the Committee believes this provision is necessary, we recommend looking to language in SB 1128 with the following amendments (**red strike through denotes proposed deletion and red underlining denotes proposed addition**):

**§ 431:10E- Claims for additional living expenses under homeowners insurance policies; states of emergency.** (a) In the event of a loss under a homeowners insurance policy issued or renewed on or after January 1, 2026, for which the insured has made a claim for additional living expenses, the insurer shall provide the insured with a list of items that the insurer believes may be covered under the policy as additional living expenses. The list may include a statement that the list is not intended to include all items covered under the policy, but only those that are commonly claimed. Each insurer may use a list developed by the insurance commissioner.

(b) If a covered loss occurs during a state of emergency declared pursuant to section 127A-14, coverage for additional living expenses shall be for a period of not less than twenty-four months from the inception of the loss; provided that the coverage for additional living expenses shall be subject to

other policy provisions. An insurer shall grant an extension of up to twelve additional months, for a total of thirty-six months, if an insured acts in good faith and is reasonably delayed due to a lack of necessary construction materials or available contractors to perform the necessary work. ~~Additional six-month extensions shall be provided to policyholders for good cause.~~

\* Rationale for proposed revision – this language creates ambiguity as to whether the policyholder is eligible for six-month extensions in ALE benefits beyond the maximum thirty-six months required by the bill. The six-month extensions are merely the mechanism for securing thirty-six months of total ALE benefits.

(c) No policy that provides coverage for additional living expenses shall limit the policyholder's right to recovery if the insured premises is rendered uninhabitable by a covered peril at the insured premises...

- Rationale for proposed revision – it clarifies that the covered peril that triggers the uninhabitability needs to be connected to premises that is the subject of the insuring agreement.

6. **431:10E-G Total loss of contents; contents coverage:** This provision requires insurers to pay 100% of the contents without providing an inventory following a “natural disaster.”

NAMIC is very concerned about this provision because it would remove the requirement that the insurer provide proof of the contents they insured and lost. This documentation requirement is in place to prevent insurance fraud and is utilized by insurers to provide consumers with a convenient and cost-effective way to insure their personal property. If policyholders are not required to demonstrate that they had specific losses after the covered insurance event, insurers may be forced to require proof of the existence of the personal property at the inception of the policy. This would create a major inconvenience for all policyholder and would delay the completion of the insurance application process. Further, this provision does not consider homes that are not furnished and/or those that are sparsely furnished. Insurers may, as a result, be forced to make payment for property that was not lost resulting in a windfall for the insured.

We recommend the following alternative that is based upon a California law on point:

*In the event of a covered total loss of a primary dwelling under a residential property insurance policy resulting from a state of emergency, as defined in Section 8558 of the Government Code, if the residence was furnished at the time of the loss, the insurer shall offer a payment under the contents (personal property) coverage in an amount no less than 30 percent of the policy limit applicable to the covered dwelling structure, up to a maximum of two hundred fifty thousand dollars (\$250,000), without requiring the insured to file an itemized claim.*

7. **431:10E-H Close of claim; extension:** This provision requires insurers to pay the full replacement cost if the policyholder is unable to complete construction at the end of the policy limitations.

NAMIC is concerned that this would convert a “replacement cost policy” into a “valued policy”. We are opposed to “valued policy” laws because they provide an incentive for insurance fraud.

8. **431:10E-I Relocation:** This provision requires insurers to pay the full insured replacement costs and building code upgrades and extended replacement cost if the policyholder decides to move to a new location.

Legislation allowing policyholders to relocate and apply their building and ordinance to the cost to purchase a new home has been recommended in SB 1141. If the legislature believes this provision addresses an important public policy concern, we would recommend following the language in SB 1141 which provides:

*A homeowners insurance policy shall not limit or deny a payment of the building code upgrade cost or a payment of any extended replacement cost available under the policy coverage for a policyholder's structure that was a total loss on the basis that the policyholder decided to rebuild in a new location or to purchase an existing structure in a new location if the policy otherwise covers the replacement cost or building code upgrade cost; provided that the measure of indemnity shall not exceed the replacement cost, including the upgrade costs and extended replacement cost for repairing, rebuilding, or replacing the structure at the original location of the loss.*

9. **431:10-226.5 Notice of cancellation:** This provision updates existing law to require insurers to provide 60 days notice for cancellations (up from 10) and 75 days notice for non-renewals (up from 30).

This change appears to update existing law and does not align with the language in 431:10E-B of the proposed bill.

For the aforementioned reasons, NAMIC respectfully requests that this bill be tabled for further discussion.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC's written testimony.

Respectfully,



Christian John Rataj, Esq.  
NAMIC Senior Regional Vice President  
State Government Affairs, Western Region

**Hawai'i State House of Representatives**  
**Committee on Public Safety**  
HB1502 – Relating to Insurance

**RE: Strong support of HB1502**

January 31, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **strong support** of HB1502 to establish requirements for property and casualty insurers and policies for pre- and post-disaster protections. As an organization, CNHA has learned firsthand about the numerous pitfalls and lack of protections faced by disaster survivors in the wake of the Maui wildfires. It is important to learn from and fix our mistakes before disaster strikes again.

CNHA has been significantly involved in Maui wildfire recovery. Since August 2023, our resource center has assisted over 9,000 individuals, distributed over 11,000 donation kits, furnished over 700 homes, and housed over 1,000 individuals. We pride ourselves on the work we've been able to do, but we also know it's not nearly enough. As reflected in the legislation, CNHA data shows that the average homeowner payout for coverage was just \$550,000 while rebuild costs are estimated at \$600,000 to \$850,000. The overwhelming majority of policyholders were underinsured and now may be unable to rebuild their homes and their lives.

HB1502 creates greater safeguards for this problem by establishing pre- and post-disaster protections for policyholders. This bill requires premium and policy adjustments to reflect the actual state of the insured property, providing for a more accurate coverage payout after a total loss due to a disaster. HB1502 also prohibits an itemized list of items lost, something that our resource center knows was a major source of stress for wildfire survivors. This legislation is a critical step in learning from previous disasters so future survivors won't feel the same pains.

We humbly ask that you **SUPPORT HB1502** and continue your work towards greater disaster resiliency.

Mālama pono,

**Madelyn McKeague**  
Director of Advocacy, CNHA

1/30/25

Support Bill SB1141

Having lived and worked in Lahaina for over 50 years, my husband and I were one of the many families who lost their home and business. The destruction of our town, and loss of friends created a deep void within us. We were not well enough and not prepared at all to deal with the insurance demands that followed. This increased our stress, anxiety, and depression that we were having after the violent fires.

The cost to rebuild on Maui is higher, and the Insurance company needs to increase that time limit from two years and state it in their policy. To date, insurer will pay only cash value of dwelling, and it is a daunting task to plan a rebuild without knowing what amount they will eventually approve.

In the case of total loss, the insurer would be required to pay at minimum of 85% the policy limits of personal property without a written inventory list. We are still working on the list, and it is over overwhelming for me. It's become the focus of our lives when we should be healing ourselves and caring for our family, and helping others. Also, it's difficult to replace items when there is no place to store them.

Sincerely,  
Cindy Luckey  
[Cindy.luckey@gmail.com](mailto:Cindy.luckey@gmail.com)  
(808 281-5071)

## Testimony in Support of HB1502—Relating to Insurance Protections

Hearing Date and Time January 31, 2025 at 8:30 a.m.

Before the Committee on Public Safety

Chair Belatti, Vice Chair Iwamoto, and Members of the Committee on Public Safety

Thank you for the opportunity to provide written and oral testimony on this important matter—HB1502. And thank you for accepting my written testimony, though it may be late. I just learned this matter was scheduled for hearing late January 29, 2025.

There is a Senate Bill related to insurance scheduled to also be heard on January 31, 2025 at 9:30 am. I am hoping to provide testimony at both. In addition to the tight scheduling we are also dealing with an incoming storm today and tomorrow that may leave me without electricity and internet. If I am without electricity and internet I will be unable to appear to testify.

I am Sherry Peterson. I am the Maui Roadmap to Recovery Liaison and Equal Justice Fellow working for United Policyholders. United Policyholders is a 501(c)(3) nonprofit that has been helping insurance consumers for over 30 years. United Policyholders has been providing education, resources, support and community advocacy for survivors of the Maui Wildfires since August 2023.

In addition to working for United Policyholders, I am a member of the Hawaii VOAD and serve on the Long Term Recovery Group's Construction and Advocacy Committee. I am attaching a letter from the Long Term Recovery Group in support of the proposals in this bill.

**I am writing to express my strong support for Hawaii House Bill 1502.**

The provisions contained in House Bill 1502 will significantly improve the ability of policyholders throughout the State of Hawaii to recover from any disaster including wildfire, lava flow, hurricanes and other disasters where the policyholder has coverage. Insurance play a vital role in a policyholders ability to rebuild and recover. However, insurance policies do not have the protections HB 1502 provides.

The provisions you are considering are critical to a policyholders ability to recover from a disaster. They were drafted based on the experiences on the wildfire survivors on Maui and throughout the United States. Many of these provisions have been adopted in other states—Oregon, Colorado, and California—in response to wildfires experienced there.

By enacting the provisions in HB 1502, you will improve the flow of funds you will ensure the flow of funds into policyholders' hands early after a disaster allowing them to

secure temporary housing, replace essential possessions, and reducing the trauma and uncertainty while replacing their destroyed homes and lives.

My experience with policyholders on Maui highlights the need for a robust insurance framework has never been more critical. Had these insurance protections been in place before the Maui Wildfires, they would have made a significant difference assisting with insured survivors' recovery. They would have lessened the trauma of uncertainty and not enough coverage in areas where it was most needed.

For more information on the importance of each provision of this bill, there is publication on United Policyholder's website found at [www.uphelp.org/advocacy-hawaii](http://www.uphelp.org/advocacy-hawaii)

Thank you for considering my support for Hawaii Senate Bill 1141.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sherry Peterson', with a long horizontal flourish extending to the right.

Sherry Peterson

Equal Justice Fellow; United Policyholders Roadmap to Recovery Liason



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## **Re: Support for Legislative Proposals for Homeowners and Renters Insurance**

On behalf of the **Ho'ōla iā Mauiakama Disaster Long Term Recovery Group (Hoola LTRG)**, I am writing to express our strong support for the proposed legislative changes concerning homeowners and renters insurance following the catastrophic wildfires that recently devastated Maui.

The wildfires have caused unprecedented destruction, highlighting the urgent need for reform in how homeowners insurance is managed and regulated in our state. As members of the LTRG, we are acutely aware of the profound challenges faced by homeowners and communities as they work to recover from these disasters.

Insurance is designed to protect individuals from catastrophic loss, and homeowners and renters who are adequately insured are better positioned to recover without relying heavily on government support or nonprofit assistance. The proposed legislative changes outlined by United Policyholders are critical for several reasons:

### **PRE-DISASTER PROTECTIONS TO IMPROVE RESILIENCE**

These proposals advocate for enhanced risk management and preparedness, ultimately mitigating the impact of future disasters. By supporting these changes, we aim to bolster resilience in our community and ensure better preparedness for whatever challenges lie ahead.

### **POST-DISASTER PROTECTIONS TO IMPROVE RECOVERY**

The proposed reforms also address critical gaps in coverage, ensuring that homeowners and renters receive adequate compensation to rebuild after devastating losses. This is vital for those who have suffered significant damage and are struggling to restore their homes and livelihoods.

These legislative changes recognize and address the unique needs of those who were adversely affected not only by the wildfires but also by the shortcomings of current insurance policies. We fully endorse these proposed reforms and encourage our lawmakers to prioritize these changes, which are essential to strengthening our state's ability to manage disasters and support recovery efforts.

In accordance with our nonprofit mission, which focuses on supporting disaster recovery and resilience, we believe these reforms are an integral part of ensuring long-term recovery for homeowners and renters in Hawai'i. We urge all stakeholders to come together in support



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of these proposals, which will help create a more resilient and effective insurance system for future crises.

Thank you for your attention to this important matter. We look forward to working together to foster a more supportive insurance framework that serves all residents of Hawaii, and we remain committed to collaborating on recovery and resilience efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrea Finkelstein'.

Andrea Finkelstein  
Advocacy Committee Chair and Board Member for the  
**Hoola Ia Mauiakama Disaster Long Term Recovery Group Board Member**  
<https://www.mauilongtermrecovery.org/>

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**Ho'ōla iā Mauiakama Disaster Long-Term Recovery Group** will address the spiritual, emotional, and physical needs of the individuals and families affected by the Maui Wildfires. Our mission is to provide comprehensive and compassionate support to the community of Maui in the aftermath of disaster. Our vision is to see a thriving, resilient community where every individual has the resources, support, and opportunities to recover from disasters and build a stronger future.

Katherine Wissner  
58 Kahana Ridge Drive  
Lahaina, HI 96761  
katw5873@gmail.com

**Subject: Testimony in Strong Support of HB1502**

Dear Members of the Committee,

I am writing to express my strong support for **HB1502**, a crucial piece of legislation that will improve the insurance claims process for disaster survivors in Hawai'i. Our state is highly vulnerable to natural disasters, and we must ensure policies are in place to provide swift and efficient communication and assistance to those affected.

Over the past two decades (2004-2023), Hawai'i homeowners and businesses have paid approximately \$37.8 billion in disaster insurance premiums. During this period, insurance companies have paid out only \$14.2 billion in claims, resulting in a staggering net income of more than \$23.6 billion for insurers.<sup>1</sup>

Insurance premiums in Hawai'i have skyrocketed from 2023 to 2024. Reports indicate that some associations have faced premium hikes exceeding 300%, leading to significant increases in maintenance fees for homeowners. In certain cases, insurance premiums for wood-frame condos surged by 300% to 500%, while concrete high-rises saw increases ranging from 50% to 200%.<sup>2</sup> These exorbitant increases place an undue financial burden on residents who are already struggling with the high cost of living.

Meanwhile, the broader U.S. non-life (property and casualty) insurance sector is experiencing significant financial gains. In the first quarter of 2024 alone, the industry achieved a \$9.3 billion underwriting gain. Additionally, pretax operating income surged by 332% to \$30 billion, bolstered by underwriting gains and a 33% increase in earned net investment income.<sup>3</sup> While insurance companies thrive, policyholders in Hawai'i face a growing financial strain. Lahaina survivors currently face unacceptable wait times during communication with insurance providers, unrealistic deadlines due to untimely communication, and exorbitant stress with little recourse.<sup>3</sup>

Every homeowner in Hawai'i stands to benefit from the added protections this legislation provides. The events of August 8th, 2023 impacted my community in ways that are tragic, shocking and life-threatening. Ensuring stronger, more transparent insurance policies means greater financial security and peace of mind for all residents of Hawai'i, not just those directly impacted by a disaster. This body has a duty to best serve the constituents of the State of Hawai'i, NOT to best serve the revenues of mainland corporate entities.

For these reasons, I strongly urge the passage of HB1502. It is essential to ensure fairness and efficiency in the insurance claims process following a disaster. I respectfully request that the committee vote in favor of this important legislation.

Thank you for your time and consideration.

Sincerely,  
Katherine Wissner

#### Sources

1. [https://www.hawaiitribune-herald.com/2024/09/02/hawaii-news/disaster-insurance-drove-billions-in-revenue-for-companies/?utm\\_source=chatgpt.com](https://www.hawaiitribune-herald.com/2024/09/02/hawaii-news/disaster-insurance-drove-billions-in-revenue-for-companies/?utm_source=chatgpt.com)
2. [https://cca.hawaii.gov/ins/files/2025/01/Hawaii-Insurance-Market-Stabilization-Recommendations-Whitepaper-1-14-25.pdf?utm\\_source=chatgpt.com](https://cca.hawaii.gov/ins/files/2025/01/Hawaii-Insurance-Market-Stabilization-Recommendations-Whitepaper-1-14-25.pdf?utm_source=chatgpt.com)
3. <https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/insurance-industry-outlook.html>

**Aloha Chair, Vice Chair, and Members of the Committee,**

My name is Jake Francis, and I was born and raised in Lahaina. My family's home burned down in the Lahaina fire. Thankfully, my parents had homeowner's insurance, and we were able to secure temporary housing on the West Side. However, I want to highlight the ongoing struggles families like mine are facing and why extending Additional Living Expenses (ALE) coverage is critical for disaster survivors.

Our insurance policy included ALE, which covered the cost of our temporary housing for one year. But because it started the day of the fire, that assistance ran out in August 2024—long before our home was even close to being rebuilt. Due to permitting delays, infrastructure setbacks, and bureaucratic obstacles, our rebuild has barely made progress. Like many other families, we have been without ALE for over four months now, forced to pay rent out of our own pockets while also covering mortgage payments on a home that doesn't even exist yet.

Once our insurance assistance ended, we were told to apply for FEMA rental aid. That process was anything but seamless. We faced multiple denials, long appeal wait times, and gaps in coverage. While waiting for FEMA's decision, we had no choice but to dip into our savings and rebuilding funds just to keep a roof over our heads. This is not a sustainable or just process for families who have already lost everything.

If ALE coverage had been extended beyond one year—aligned with the real timeline of disaster recovery—we wouldn't be in this position. It is unrealistic to expect families to complete a home rebuild in just 12 months especially in the case of a disaster. Extending ALE coverage would have ensured that families like mine could remain housed without having to drain the very resources meant to help us rebuild.

Lahaina fire survivors should not have to choose between paying rent and rebuilding their homes. Lahaina residents have endured enough, and it's time for policies that support disaster survivors through the full recovery process—not just the first year.

I urge you to pass this bill to extend ALE coverage. It is a necessary step to prevent further displacement, financial hardship, and instability for families who are still trying to rebuild their lives.

**Mahalo for your time and consideration.**

**Jake Francis**

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Krizhna Bayudan, and I am a lifelong resident of Lahaina. My family's home was destroyed in the Lahaina fire, and we have been doing everything possible to rebuild. Unfortunately, due to delays beyond our control, our home is nowhere near completion. Our Additional Living Expenses (ALE) coverage will run out in March 2025, and we have no idea where we will go next. This bill is critical to preventing families like mine from falling into housing instability once again.

A one-year ALE policy is simply not enough in the aftermath of a disaster of this scale. Rebuilding a home under normal circumstances can take well over a year in Maui. In Lahaina, the process has been even slower due to infrastructure delays and supply shortages. None of these challenges are within homeowners' control, yet insurance policies still cut off assistance after 12 months, leaving families stranded before their homes are completed.

We want to stay in Lahaina—it's our home—but rents have skyrocketed, and our family's income has changed since the fire. Even with FEMA's rental assistance program, we must secure a lease before receiving aid, but finding housing in Lahaina at a reasonable price is nearly impossible. The renewal process for FEMA assistance is also exhausting and uncertain, making it unreliable for long-term recovery.

We've been through this struggle before. For eight months, we lived under the Red Cross program, moving between temporary housing and facing constant uncertainty. Since then, we have applied for every housing program available, including state and FEMA programs, but the answers remain unclear. The state's Ka La'i Ola program has only 450 units, while thousands of households were displaced. We have no guarantee that we will receive housing assistance in time.

Meanwhile, our rebuild has been severely delayed due to permitting and infrastructure challenges. These delays are completely out of our hands, yet our ALE is set to expire before our home is ready. Without this extension, we are at risk of losing our temporary housing with nowhere to go.

Lahaina fire survivors should not have to face homelessness while waiting for the chance to return home. This bill would allow families to stay housed while navigating the long and difficult road to rebuilding. We urge you to pass this measure so that families like mine can remain in our communities instead of being forced to leave due to circumstances beyond our control.

Mahalo for your time and consideration.

Krizhna Bayudan