

Honolulu, Hawaii

February 19, 2016

RE: H.B. No. 370  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 370 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII PROPERTY INSURANCE ASSOCIATION,"

begs leave to report as follows:

The purpose of this measure is to enhance insurance protections for properties falling in geographical areas eligible for and under coverage by member insurers of the Hawaii Property Insurance Association (HPIA). Specifically, this measure:

- (1) Prevents the nonrenewal of an existing policy in effect as of January 1, 2014, where the sole criterion for nonrenewal is a pending natural disaster; and
- (2) Provides for continued coverage under an existing policy upon a transfer in ownership of the property.

The Hawaiian Shores Community Association and two individuals testified in support of this measure. The National Association of Mutual Insurance Companies, Hawaii Insurers Council, and State Farm Mutual Automobile Insurance Company testified in opposition to this measure. The Department of Commerce and Consumer Affairs provided comments.



Upon careful consideration, your Committee has amended this measure by deleting its contents and inserting the provisions of H.B. No. 2322, which also amends HPIA coverage requirements in the context of a looming or past natural disaster such as a lava flow. As amended, this measure grants the Insurance Commissioner the discretion, subject to certain conditions, to lift an existing moratorium on the issuance of policies for properties situated in a lava zone.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 370, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ANGUS L.K. McKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

*Issue 504-16*

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <b>HB 370</b>	Committee Referral: <b>CPC, FIN</b>	Date: <b>Feb 17, 2017</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. WOODSON, Justin H. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CREAGAN, Richard P.	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. KAWAKAMI, Derek S.K.	✓			
9. LEE, Chris	✓			
10. NAKASHIMA, Mark M.	✓			
11. OSHIRO, Marcus R.	✓			
12. SAN BUENAVENTURA, Joy A.	✓			
13. TAKAYAMA, Gregg	✓			
14. YAMANE, Ryan I.	✓			
15. FUKUMOTO CHANG, Beth	✓			
16. McDERMOTT, Bob	✓			
<b>TOTAL (16)</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) - Committee           Duplicate (Yellow) - Chief Clerk's Office           Duplicate (Pink) - HMSO				