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# SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
COMPILE PERTINENT DATA TO DETERMINE THE APPROPRIATE SCOPE  
OF A STUDY ANALYZING WHETHER IMPLEMENTATION IN THIS STATE  
OF LAWS SIMILAR TO CAPTIVE INSURANCE LAWS OF MASSACHUSETTS  
WOULD ADDRESS THIS STATE'S RESIDENTIAL CONDOMINIUM PROPERTY  
INSURANCE NEEDS.

1           WHEREAS, associations of apartment owners throughout the  
2 State have faced steep increases in residential condominium  
3 property insurance since 2021; and  
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5           WHEREAS, the increases are due in part to City and County  
6 of Honolulu ordinances Nos. 19-4 and 22-2, which require the  
7 installation of automatic fire sprinkler systems in certain  
8 residential condominium buildings; and  
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10           WHEREAS, although an association of apartment owners may  
11 opt out of the sprinkler installation requirements if the  
12 association of apartment owners pursues other fire safety  
13 improvements, insurance rates have escalated sharply for almost  
14 all residential condominium properties regardless of whether a  
15 condominium property has received an acceptable score; and  
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17           WHEREAS, Massachusetts' approach to captive insurance may  
18 provide an alternative to traditional condominium property  
19 insurance at a time when insurance offered by major Hawaii  
20 insurers is increasingly becoming unaffordable for many  
21 homeowners and associations of apartment owners; now, therefore,  
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23           BE IT RESOLVED by the Senate of the Thirty-second  
24 Legislature of the State of Hawaii, Regular Session of 2023, the  
25 House of Representatives concurring, that the Department of  
26 Commerce and Consumer Affairs is requested to survey the  
27 applicable association of apartment owners for each of the three  
28 hundred nine condominium properties that are subject to the



1 requirements of Honolulu Ordinances Nos. 19-4 and 22-2 to  
2 determine:

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- 4 (1) Whether the captive insurance approach of  
5 Massachusetts may offer a practical means of  
6 addressing the skyrocketing insurance premiums for  
7 each applicable condominium property;  
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- 9 (2) Whether the association of apartment owners has either  
10 filed a notice of its intention to install  
11 automatic fire sprinkler systems in individual units  
12 within the applicable condominium property or, before  
13 September 2022, undertaken a life safety evaluation  
14 conducted by a licensed design professional;  
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- 16 (3) If the association of apartment owners has conducted a  
17 life safety evaluation in lieu of installing or  
18 retrofitting a sprinkler system, whether the  
19 condominium property has received an acceptable score  
20 or sustained increased property insurance premiums  
21 since 2020, or both; and  
22
- 23 (4) If the association of apartment owners has filed a  
24 notice of its intention to install or retrofit  
25 sprinkler systems in individual units, whether the  
26 condominium property has sustained increased property  
27 insurance premiums since 2020; and  
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29 BE IT FURTHER RESOLVED that, no later than six months after  
30 the adoption of this measure, the Department of Commerce and  
31 Consumer Affairs is also requested to compile the information  
32 received from the survey responses and submit to the Legislature  
33 an interim report containing the compiled information; provided  
34 that, for any condominium property that has sustained increased  
35 property insurance premiums since 2020, the report shall include  
36 the percentage by which the condominium property's insurance  
37 premiums have increased each year from the prior year during  
38 this period; and  
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40 BE IT FURTHER RESOLVED that, no later than twenty days  
41 prior to the convening of the Regular Session of 2024, the  
42 Department of Commerce and Consumer Affairs is also requested to



1 submit to the Legislature a final report of its findings and  
2 recommendations, including any proposed legislation, regarding  
3 the appropriate scope of a study analyzing whether  
4 implementation of a captive insurance system in the State that  
5 is modeled after the captive insurance system of Massachusetts  
6 would adequately and appropriately address the State's  
7 residential condominium property insurance needs; and  
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9 BE IT FURTHER RESOLVED that the Department of Commerce and  
10 Consumer Affairs is also requested to share the information  
11 compiled pursuant to this measure with, and include in its final  
12 report to the Legislature recommendations from, condominium  
13 property management companies, the Hawaii Captive Insurance  
14 Council, Hawaii Council of Community Associations, Kokua  
15 Council, and the Hawaii Chapter of the Community Associations  
16 Institute; and  
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18 BE IT FURTHER RESOLVED that a certified copy of this  
19 Concurrent Resolution be transmitted to the Director of Commerce  
20 and Consumer Affairs.

