

Aloha Honorable Legislators,

As a single parent and condo owner grappling with the financial pressures of a marketplace designed for the affluent, I acknowledge the intent behind SB 1044 to stabilize the property insurance market through the reactivation of the Hawai'i Hurricane Relief Fund. This measure is vital as it promises to mitigate the skyrocketing insurance costs that myself and my neighbors face due to increasingly limited insurance options.

However, while SB 1044 takes significant steps towards addressing these issues, it is crucial to ensure that the solutions proposed do not inadvertently favor the insurance industry at the expense of homeowners. To this end, it is imperative that the bill include provisions that prevent the potential for insurers to unduly influence the terms and availability of coverage, thereby ensuring that the fund's reactivation directly benefits the homeowners it is meant to serve.

I call upon all lawmakers to recognize the significant impact of their decisions on the hundreds of thousands of residents living in condominiums across Hawai'i. It is your duty to counteract the industry practices that have profited at the expense of locals and absentee owners alike. Immediate action is necessary to prevent the unchecked escalation of rents and HOA fees, ensuring that our community members, including hardworking families and retired kupuna, are not disproportionately burdened.

To enhance the effectiveness of SB 1044 and address potential concerns about funding strategies and regulatory oversight, the following amendments are proposed:

1. Detailed Funding Strategy Disclosure:

- **Transparency in Fee Assessment:** Amend the bill to require detailed disclosures about any fees or assessments that will be levied to fund the Hawai'i Hurricane Relief Fund (HHRF). This should include clear guidelines on how these fees are calculated, who will be assessed, and how frequently.
- **Cap on Fees:** Introduce a provision to cap the fees to prevent undue financial burden on homeowners. This cap should be periodically reviewed to adjust to the economic and risk conditions without requiring further legislative action.
- **Public Reporting:** Mandate annual public reporting on the fund's financial health, including sources of funding, expenditures, and outstanding liabilities. This will enhance transparency and accountability.

2. Strengthened Regulatory Oversight:

- **Independent Oversight Committee:** Establish an independent oversight committee specifically for the HHRF, comprising stakeholders including homeowners, insurance experts, and government representatives. This committee would oversee the fund's operations, ensure compliance with the legislative intent, and provide recommendations for improvements.

- **Regular Audits:** Require regular audits of the HHRF by a third-party auditor to assess financial management and risk assessment strategies. Audit results should be made public and presented annually to the legislature.
- **Consumer Protection Mechanisms:** Include provisions to establish or enhance consumer protection mechanisms, ensuring that policyholders' rights are protected, especially in dispute resolution processes involving claim settlements.

3. Enhanced Communication Strategies:

- **Mandatory Notification Requirements:** Amend the bill to include mandatory notification requirements for any changes in policy terms, fee adjustments, or fund operations that could affect policyholders. These notifications should be required to be provided in multiple formats, including electronic communications, to ensure they reach all homeowners, including absentee owners.
- **Community Engagement:** Require the HHRF to conduct regular community engagement sessions to gather feedback and adjust policies in response to homeowner needs and concerns.

4. Performance Metrics:

- **Establish Performance Metrics:** Introduce amendments that require the HHRF to establish and report on specific performance metrics related to policy issuance, claims processing times, and customer satisfaction. This would help measure the fund's efficiency and effectiveness in serving Hawai'i's homeowners.
- **Benchmarking Against Private Insurers:** Include provisions for benchmarking HHRF's performance against private insurers in terms of rates, coverage, and service quality to ensure it competes fairly and fulfills its role as a market stabilizer.

By adopting these amendments, the bill can be refined to ensure that it not only addresses the immediate needs of Hawai'i's homeowners for stable and affordable insurance options but also operates with long-term sustainability, transparency, and accountability in mind. These changes would help build trust among stakeholders and ensure that the HHRF effectively mitigates the insurance market's challenges in Hawai'i.

Mahalo for your attention and consideration.

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