

Aloha Legislators,

Thank you for addressing these critical issues with the seriousness they deserve. I respectfully urge each of you to prioritize constructive solutions over partisan debates. The residents of Hawaii, regardless of their political affiliations, need your leadership and commitment to fairness now more than ever. We are facing significant socio-economic challenges, and it is essential that the voices of local residents—who live and work here, contributing to the prosperity from which others benefit—are heard and considered.

Many are struggling financially and are unable to voice their concerns as loudly as well-funded lobbyists and corporate interests. It is crucial to recognize that our calls for change are not the complaints of a few disgruntled individuals but a widespread cry for justice from a community seeking equitable treatment. Your actions can lead to meaningful reforms that significantly improve the lives of all your constituents.

After a thorough review of SB 1140, which aims to establish the Fair Access to Insurance Requirements (FAIR) program in Hawaii, there are several aspects of the bill that could be improved to better protect the average homeowners, like myself, particularly in high-risk areas.

Here are some suggested amendments:

### **1. Enhance Transparency and Participation:**

- **Transparency in Rate Setting:** Require the program to publish detailed methodologies for premium calculations and rate adjustments. This would help homeowners understand how their premiums are determined and ensure that rates are set fairly.
- **Homeowner Participation in Oversight:** Amend the bill to include provisions for homeowner representation on any oversight or advisory boards. This ensures that the interests of the residents the program is meant to protect are directly involved in its governance.

### **2. Strengthen Consumer Protections:**

- **Guaranteed Renewals:** Include provisions that guarantee the renewal of policies unless there is a justifiable reason for non-renewal. This protects homeowners from being arbitrarily dropped and gives them more stability.
- **Cap on Premium Increases:** Introduce a cap on how much premiums can increase annually, protecting homeowners from sudden and unmanageable spikes in their insurance costs.

### **3. Expand Coverage Requirements:**

- **Comprehensive Coverage Mandate:** Ensure that the policies offered cover a broad range of perils and include specific protections for the unique risks faced by homeowners in Hawaii, such as volcanic activity and flooding, which are often excluded from standard policies.

- **Mandatory Coverage for Underinsured Homes:** Propose amendments to require the FAIR program to offer coverage options for homes that are currently underinsured due to policy limits not keeping pace with market values or reconstruction costs.

#### **4. Improve Affordability Mechanisms:**

- **Subsidies for Low-Income Families:** Establish a subsidy program within the FAIR plan that offers premium assistance to low-income families or fixed-income retirees, ensuring the program is accessible to those who need it most.
- **Deductible Reduction Options:** Provide options for homeowners to reduce their deductibles through mitigation measures or longevity in the program, promoting long-term participation and risk reduction.

#### **5. Ensure Robust Reinsurance Support:**

- **State-Backed Reinsurance Pool:** Propose the creation of a state-backed reinsurance pool to support the FAIR program, helping to stabilize premiums and ensure the program's financial health.
- **Periodic Review of Reinsurance Contracts:** Mandate periodic reviews of reinsurance contracts to ensure they are cost-effective and provide sufficient coverage against large-scale disasters.

These amendment would strengthen the bill by increasing transparency, enhancing consumer protections, ensuring affordability, and expanding coverage to make the FAIR program more effective and equitable for all Hawaiian homeowners, particularly those like yourself facing unique challenges in high-risk areas.

Mahalo,

Jessica Herzog - Condo Owner Oahu  
mssc403@gmail.com  
707.340.5786  
www.leewardrepair.com