



## EXECUTIVE AND LEGISLATIVE CONDO AND PROPERTY INSURANCE TASK FORCE

STATE OF HAWAII  
STATE CAPITOL  
415 SOUTH BERETANIA STREET  
HONOLULU, HAWAII 96813

July 22, 2024

The Honorable Josh Green, M.D.  
Governor  
Hawaii'i State Executive Chambers  
415 South Beretania Street  
Honolulu, HI 96813

Dear Governor Green:

Thank you for your letter dated June 28, 2024. We are happy to inform you that the Executive and Legislative Condo and Property Insurance Task Force has held meetings on July 1<sup>st</sup> and July 18, 2024.

To more immediately stabilize the State's condominium insurance market, we respectfully request that you exercise emergency powers, to the extent such exercise is consistent with the advice and consultation of the Attorney General:

1. To suspend laws placing monetary limits on the Hawai'i Hurricane Relief Fund ("HHRF") and Hawaii Property Insurance Association ("HPIA"), which make it impracticable for those entities to provide insurance coverage to condominiums;
2. To allocate general fund monies to the HHRF and HPIA, subject to future repayment; and
3. To allow the HHRF and HPIA boards to implement as many of the policies reflected in the proposed H.B. 2686, C.D. 1 (attached) as possible, to the extent the boards deem prudent and necessary. Please see the attached appendix, which includes a summary of pertinent policies expressed in the proposed H.B. 2686, C.D. 1.

Thank you for your consideration of our requests.

Sincerely,

Representative Scott K. Saiki  
Co-Chair

Senator Jarrett Keohokalole  
Co-Chair

Gordon I. Ito, Insurance Commissioner  
Co-Chair

1. HPIA providing property insurance to a condominium association that meets the criteria and requirements in the HPIA's plan of operation (page 22, lines 3-11);
2. HPIA's plan of operation including:
  - a. A maximum period of time during which a condominium association may be eligible to be insured by the association, which shall not exceed sixty months--that is, five years (page 12, lines 3-6; and page 16, line 19-21); and
  - b. Provisions relating to requirements for property insurance for condominiums (page 18, line 15, to page 20, line 12; and page 20, line 19, to page 21, line 6);
3. HPIA's plan of operation prohibiting coverage for any condominium for which the HPIA has identified maintenance issues that materially affect the insurability of the condominium for the type of coverage sought (page 20, lines 13-18);
4. Suspending the application of the HPIA's and HHRF's statutorily established coverage limits (page 23, lines 1-11; page 30, line 6, to page 31, line 5; and page 47, line 16 to page 49, line 10);
5. Providing for the recoupment of the HPIA's insurer assessments through surcharges on premiums (page 23, line 12, to page 26, line 14);
6. HPIA establishing certain reserve trust funds and accounts as necessary (page 14, line 9 to page 15, line 7);
7. Making certain adjustments relating to the calculation of assessments by the HHRF (page 35, line 18, to page 38, line 12);
8. The HHRF receiving certain moneys for deposit into separate accounts within the Hurricane Reserve Trust Fund, relating to the purpose of the measure (page 41, line 20, to page 42, line 6; page 50, lines 7-11; and page 53, lines 7-10 and 17-21);
9. The HHRF adopting procedures to repay general fund moneys lent to the Hurricane Reserve Trust Fund for the purpose of the measure (page 42, lines 7-15);
10. The HHRF's plan of operation including provisions relating to requirements for hurricane insurance for condominiums (page 46, line 18, to page 47, line 9);
11. The HHRF's plan of operation prohibiting coverage for any condominium for which the HHRF has identified maintenance issues that materially affect the insurability of the condominium for the type of coverage sought (page 47, lines 10-15);
12. Excluding from HHRF insurance eligibility:
  - a. Applicants who are otherwise able to obtain insurance from licensed insurers (page 31, lines 12-15; and page 49, lines 14-16); and
  - b. Properties that are ineligible pursuant to the HHRF's plan of operation (page 49, lines 17-18);
13. Suspending statutory language that diverts to the general fund any interest earned from the Hurricane Reserve Trust Fund (page 54, lines 18-21);
14. Transferring available general fund moneys in the amount up to \$30,000,000 as a loan or line of credit to the HPIA for startup administration costs and to obtain reinsurance for the purposes of the measure (page 57, line 10, to page 58, line 10); and
15. Transferring available general fund moneys in the amount up to \$30,000,000 as a loan or line of credit to the HHRF for startup administration costs and to obtain reinsurance for the purposes of the measure (page 58, line 11, to page 59, line 9).

## **Appendix "1"**