

**BOARD OF DIRECTORS
HAWAII HURRICANE RELIEF FUND (“HHRF”)
MINUTES OF MEETING**

Date: Friday, August 9, 2024

Time: 10:00 a.m. HST

Location: Queen Liliuokalani Conference Room
King Kalakaua Building, First Floor
335 Merchant Street
Honolulu, HI 96813

Virtual: Virtual Videoconference Meeting – Zoom Meeting
<https://dcca-hawaii-gov.zoom.us/j/86848586372?pwd=xxHK9WAKS5cjYk0ARucQtEEzqSWRMG.1>
Meeting ID: 868 4858 6372
Passcode: 404778

Zoom Recording Link
<https://www.youtube.com/watch?v=vCvXzHXd1-w>

Present Edward Haik, Chairperson
Michael Nonaka, Vice Chairperson
Gordon Ito, Insurance Commissioner, Board Member
Marie Weite, Board Member
Blair Akiona, Board Member (Virtual)
Reina Miyamoto, Board Member (Virtual)
Christopher Han, Esq. Deputy Attorney General

Excused Leslie Door, Board Member

Guests:

Call to Order: A roll call was conducted for all Board Members of the HHRF (“Board”) confirming the Board had met quorum.

At 10:01 a.m. HST, the meeting was called to order pursuant to HRS § 92-3.7.

- I. Update on the Letter to the Governor from the Condo and Property Insurance Task Force: the Insurance Commissioner discussed:

The emergency proclamation issued by Governor Josh Green (“Governor”) relating to condominium insurance market stabilization. Copies of the letter had been distributed to the Board previously.

However, the emergency proclamation was not available at the time notice of this meeting was posted. This emergency proclamation will be included as an agenda item at the next meeting.

II. Designation of HHRF Board Chair and Vice Chair. The Insurance Commissioner discussed that:

- In the role of Chair, the Governor appointed Edward Haik.
- In the role of Vice Chair, the Governor appointed Michael Nonaka.

III. Possibility of Restarting the HHRF

A. Availability of property insurance, 431P-4: The board discussed that:

- The Insurance Commissioner acknowledged that no written testimony had been submitted. The floor was then opened to receive oral testimony. No oral testimony was submitted by those attending in-person or online, nor was any written or oral testimony submitted by members of the public.
- HRS § 431P-4(a) contemplates that the HHRF monitors the availability of property insurance.
- The availability of private insurance and whether it sufficiently meets potential demand was discussed.
- The market for insurance and hurricane riders for single-family homes will be affected by constricting underwriting. An attendee concurred and noted that coverage is becoming more expensive. This trend can also be seen in commercial properties.
- People are anecdotally experiencing significant increases in premiums.
- Catastrophic losses, replacement costs, and reinsurance have increased general homeowner rates. Individuals have anecdotally observed reinsurance rates may have increased from an (estimated) 20-30% to 50-60%. Increasing reinsurance rates contribute to premium increases; however, reinsurance rates appear to have stabilized in renewals for the past few months. This could possibly indicate that reinsurance rates may come down later.

- Hawaii is now on the map for wildfire risk. Types of construction, as well as areas of structures, have become concerns for some insurers.
- Reinsurers may not necessarily categorize fire and hurricane risks separately.
- The purpose of the HHRF is hurricane insurance.
- Only three insurers are writing new condo master policies.
- Insurance markets have been impacted by insurers placing sub-limits on condo master policies.
- Insurance Division does not have rate authority over surplus lines insurers.
- The Governor's Emergency Proclamation waived certain provisions and may support activities of a restarted HHRF.
- Additional information may be needed regarding what coverage insurers are willing to write in Hawaii.
- HPIA may be able to expand its coverage.
- Condo master policy coverage is available to an extent from First Insurance, D.B., and Fireman's Fund, which is under Allianz. However, as of August 1, Allianz transferred Fireman's Fund to Mercer Marsh.
- For an AOAO to reach full coverage for its building, it is necessary to purchase from a surplus lines insurer
- A suggestion was made to invite agents to speak.

B. Operational; the board discussed:

- Consultants could be hired to assist in assessing information for the HHRF.
- The floor was opened for comments regarding Item IV on the Agenda.
- One comment was received that persons invited to consult on the subject matter should represent a cross-section of their field. More than one person should be consulted.
- A question was asked regarding the Insurance Division's ability to influence the market. It was discussed that the Insurance

Division has done what it can to make sure it has the ability to review rate filings faster.

The floor was opened for comments. No comments were submitted by those attending in-person or online, nor were any comments submitted by members of the public.

Next Meeting	August 30, 2024, 10:00 a.m. HST, Queen Liliuokalani Conference Room, King Kalakaua Building, First Floor and virtually via Zoom
Adjournment	11:11 a.m. HST