

November 21, 2025

Insurance Commissioner Scott Saiki
Hawai'i Insurance Division
P.O. Box 3614
Honolulu, HI 96811-3614

Re: Policy Recommendations to Address the Climate-Driven Insurance Crisis in Hawai'i

On behalf of a coalition of advocacy organizations across the state and nation, we congratulate you on your recent appointment, applaud your historic attention to the links between climate change and insurance risk, and thank you for undertaking a crucial study required by recent legislation to stabilize Hawai'i's property insurance market.

We urge you to consider bold and immediate actions to address the escalating insurance crisis driven by climate change in Hawai'i. As climate-related disasters become more frequent and severe, the role of the Insurance Division in protecting policyholders, homeowners, renters, and small businesses alike, has never been more vital.

Climate change has fundamentally altered the insurance landscape. Traditional models for pricing risk, regulating solvency, and ensuring availability of coverage are increasingly out of step with current and future realities. In the absence of a forward-looking, public-centered regulatory framework, Hawai'i risks a destabilizing spiral of insurer withdrawal, skyrocketing premiums, and unprotected communities, particularly those already vulnerable to environmental and economic shocks.

In July, the governor signed into law Act 296 (SB 1044), legislation aimed at stabilizing Hawai'i's insurance markets. Act 296 directed your office to "conduct a study to identify or develop a long-term solution to stabilize the property insurance market in the State." Accordingly, we write to offer the following range of recommendations for inclusion in the study, grounded in current data and best practices from across the country:

1. Establish a Climate Risk Supervision Office and integrate climate change into insurance supervision.
2. Strengthen consumer protections before and after disaster hits, prioritizing renters, low-income households and Native Hawaiians at risk of displacement.
3. Reduce the risk through climate mitigation and resilience and require insurers to play an active role through their investments, underwriting and approach to subrogation.
4. Provide public insurance data and modeling and collaborate with researchers, other states, and federal regulators.

Recommendations for a proactive and equitable approach to Hawai'i's climate-driven insurance crisis

1. **Establish a Climate Risk Supervision Office and integrate climate change into insurance supervision.** This office should:

- Hire a **climate risk resilience officer** within the state insurance office.
- Require the state insurance commissioner to file an **annual report on climate risk** supervision within the state insurance department and at the National Association for Insurance Commissioners.
- Publish an annual **scenario analysis** of insurance companies' investment portfolios incorporating climate risk, similar to the [2024 findings](#) of the state insurance commissioners of California, Oregon, and Washington.
- Require any insurer operating in the state to file ambitious long-term **net-zero energy transition plans** to shift both their underwriting and investments away from fossil fuel and towards clean energy and to annually prove their progress.
- Integrate climate risk into **financial condition exams and assessments** and require insurers to conduct annual climate-related scenario analysis for both physical and transition risks, building on guidance issued in [Connecticut](#) and [New York](#).

2. **Strengthen consumer protections before and after disaster hits, prioritizing renters, low-income households and Native Hawaiians at risk of displacement.**

When disaster strikes, timely and fair insurance payouts are essential to equitable recovery. Without strong protections in place, policyholders—especially the most vulnerable—risk being retraumatized by bureaucracy and bad faith. States like Florida and Louisiana responded to insurer pressure by dismantling consumer protections, only to see premiums skyrocket while insurers take the money and run. Hawai‘i must take a better path. We recommend the following steps:

- Drawing from the Equitable and Just Insurance Initiative's [national guidelines](#), the legislature should establish **strong post-disaster requirements**, such as increasing penalties for claims violations after a disaster and requiring insurance companies to pay interest on insurance claims-related funds sitting in escrow or held by mortgage lenders.
- Enforce a **baseline for comprehensive policy language** to ensure the adequacy of insurance well before disaster hits, including coverage to bring buildings up to new codes or support resilient rebuilding.
- The legislature should extend the non-renewal notice to six months and provide consumers with both a **right to remedy** risks identified by the insurer in order to have coverage reinstated and right to appeal the loss of coverage, to ensure sufficient time and knowledge for adaptation.
- Provide funding for **financial assistance** for low-income policyholders to maintain coverage and to adapt homes and support community outreach programs to ensure broad awareness and reach.

- Supporting a **post-disaster right of return for renters** to avoid climate gentrification and ensure that renters benefit from climate resilience investments, public risk information, and post-disaster consumer protections.

3. Reduce the risk through climate mitigation and resilience and require insurers to play an active role through their investments, underwriting and approach to subrogation.

Insurance premiums will continue to rise as the risk rises. There is no long-term sustainable solution to the insurance crisis that will succeed without reducing the risk. Prioritizing both climate mitigation and adaptation are crucial. Delaying will only lead to more costly and difficult choices later on, whereas proactive investments pay off, with every \$1 dollar invested in resilience estimated to save \$13 dollars for communities.¹ The legislature should do the following:

- Strengthen the State Building Code Council’s authority, funding and staffing support in order to **update the state building code** to prioritize safety, resilience and long-term savings.
- Provide grants and other investments to **fund community-scale climate resilience** and adaptation, prioritizing low-income and Native Hawaiian communities at risk of displacement.
- Fund these grants through **proactive surcharges, taxes, fees and other incentives** for insurers and other industries that benefit from a stable insurance system, with higher fees for the fossil fuel industry to ensure that polluters pay.
- Use all financial, regulatory, legal, and institutional systems to accelerate Hawai‘i’s move towards **clean and local energy and eliminate dependence on fossil fuels**.
- Incentivize or require insurance companies and residual market mechanisms to exercise **subrogation claims against oil, gas, and coal** companies after disasters.

4. Provide public insurance data and modeling and collaborate with researchers, other states, and federal regulators.

The state cannot effectively respond to the insurance crisis without clear visibility into its drivers and potential impacts, not just on individual households but also the broader economy. We urge the Department to share detailed granular data on insurance to inform policy solutions and monitor the financial risks of the insurance crisis. Given the recent federal cuts to climate data, Hawai‘i should also work with California to lead state-level support for the development of an open-source wildfire catastrophe model. We urge the Division to:

¹ U.S. Chamber of Commerce. (2024, June 25). [The Preparedness Payoff: The Economic Benefits of Investing in Climate Resilience.](#)

- Require insurers to use **pricing and underwriting models that incorporate mitigation** investments, at both a community-level and individual hazard level, similar to HB 1182, legislation approved by Colorado's legislature in 2025.
- Partner with academic institutions and public risk modeling experts to create **open-source catastrophe models** that accurately reflect localized catastrophe risks and account for community-scale fire and flood risk reduction efforts and to communicate those risks to the public, following California's Senate Bill 429.
- Publish a **public insurance database**, with requirements similar to the Home Mortgage Disclosure Act, with data (including policy counts, premiums, non-renewals, claim denials, and deductibles) at a census-tract level and for all residence, auto and small business policies.
- Work to **protect federal climate data**, climate modeling and federal disaster aid and support the work of federal regulators to **monitor systemic risks** from the national climate-driven insurance crisis.

Hawai'i is at a crossroads. If left unaddressed, the insurance crisis will compound climate inequality and leave our most vulnerable residents exposed. If tackled boldly, Hawai'i can set a national example for how to build innovative, just, and climate-smart solutions.

Thank you for your attention to this critical matter and for your commitment to protecting Hawai'i's residents and future. We would welcome the opportunity to contribute further to the study process and are available for additional discussion or collaboration.

Sincerely,

Public Citizen
Americans for Financial Reform
Center for Climate Integrity
Center for Economic Justice
Center for Law, Energy & the Environment
Ceres
Climate Cabinet Action
Green America
Hawaii First FCU
Interfaith Center on Corporate Responsibility
Missionary Oblates of Mary Immaculate
National Community Reinvestment Coalition
Natural Resources Defense Council
Our Hawai'i
Revolving Door Project
Sierra Club of Hawai'i