

**United Policyholders**

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February 10, 2016

Hon. Rosalyn H. Baker, Chair
Senate Committee on Consumer Protection and Commerce
VIA EMAIL to: senbaker@capitol.hawaii.gov

Re: S.B. 3064 - SUPPORT

Dear Senator Baker:

We are writing to express our support for Senate Bill (“B.B.”) 3064. “We” are United Policyholders (UP), a non-profit that helps, informs and speaks for insurance consumers in Hawaii and across the United States (See www.uphelp.org).

This bill clarifies the rules for insurance appraisals in Hawaii. An insurance appraisal is a process for settling a dispute between an insurer and insured on the extent and cost of property damage. Unlike a real estate appraisal, an insurance appraisal is akin to an arbitration. Each side hires a “Party Appraiser” to appraise and present their views on the damage. An umpire is selected. The appraisers submit documentation that supports their view on the damages. The umpire selects the more credible presentation.

Insurance appraisals can be informal, fair, fast, inexpensive. When done right, they can be a more efficient forum for resolving disputes than a civil lawsuit, courtroom, judge and jury. When done wrong, they are contentious, drawn out, expensive and a waste of time.

By defining the titles and roles of the professionals who generally participate in appraisals, (“adjuster”, public adjuster”, “insurance appraiser”, and “umpire”), S.B. 3064 will preserve the integrity of appraisal as a dispute resolution process and help property owners avoid hiring unscrupulous, untrained and unqualified individuals to serve as their insurance appraiser. Under current law, any person can be eligible to act as an appraiser for any carrier or policyholder even if they have zero training or knowledge or understanding of HRS 431. This bill will fix that. It will further protect consumers by requiring that umpires must comply with the neutrality and disclosure requirements in section HRS 658a-12 of Hawaii’s arbitration laws.

Thank you for your time and consideration of this letter and your support for S.B 3064. Please contact me at 415-393-9990 or amy@uphelp.org if you have any questions.

Sincerely,

Amy Bach, Esq., Executive Director

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