

In the Matter of the Petition for Coordination of Maui Fire Cases

Year: 2024

Court: Hawai'i Supreme Court

Case Number: SCRQ-24-0000602

Through our Roadmap to Recovery program, United Policyholders is providing information and support to households impacted the devastating fire that destroyed homes and businesses and the town of Lahaina in August of 2023. The majority of those whose properties were destroyed found themselves underinsured and short on funds to rebuild. A proposed, desperately needed global settlement of \$4.01 billion is awaiting approval by the Hawaii Supreme Court, but insurers are seeking to block the settlement in order to exercise subrogation rights. United Policyholders weighed in with an amicus brief setting forth arguments and insight regarding the subrogation rights of insurance carriers. Specifically, United Policyholders argues that subrogating insurance carriers should not be permitted to block the settlement agreement. Under the proposed global settlement, the insurers will be adequately protected because they can seek reimbursement in the rare situation in which their policyholder been “made whole” (received more than full compensation for their losses). After the 2018 California wildfires, United Policyholders saw firsthand how insurance companies took \$11 billion in cash out of PG&E’s bankruptcy, leaving individual consumers with (devalued) stock IOUs, resulting in many wildfire victims waiting years for compensation. United Policyholders urged the Hawaii Supreme Court to take a better path and not permit insurance carriers to overly leverage their subrogation rights at the expense of the underinsured wildfire survivors that desperately need the settlement funds, and the local economy.

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