



To: The House Committee on Energy and Environmental Protection (EEP)
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, April 10, 2025, 9am

In support of SCR198 SD1

Aloha Chair Lowen, Vice Chair Perruso, and members of the EEP committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports SCR198 SD1** which encourages Hawaii insurers and the Hawaii property insurance association to reduce insurance costs on local residents by pursuing subrogation claims against polluters who knowingly engaged in misleading and deceptive practices regarding the connection between their products and climate change.

Fossil fuel companies knowingly lied to the public about global warming for decades. Their own scientists predicted the destabilization of our climate system as a result of the greenhouse gases their products were emitting. They not only understood the science before it became a public issue, they spent millions to promote misinformation and climate denial so they could block action to address those emissions. Now our communities are paying the price.

Insurance companies are wrongfully raising insurance rates, making local families bear the burden of the increasing climate risks that the fossil fuel industry knowingly caused. This must stop. We must hold fossil fuel companies accountable for the damages caused by their products and practices, including the financial costs of climate change impacts.

Insurers need to pursue subrogation claims against bill polluters. If these companies played a major role in worsening climate breakdown, they should be responsible to cover the damage, not Hawaii residents.

Please pass SCR198 SD1.

Mahalo for the opportunity to testify on this measure.

Sherry Pollack
Co-Founder, 350Hawaii.org

Testimony in support of SCR198 SD1

Submitted by the Center for Climate Integrity

The Center for Climate Integrity is a nonprofit organization that empowers communities and officials with tools and research to hold major oil and gas corporations accountable for deceiving the public about how their products fuel climate change. We submit this testimony in support of SCR198 SD1, which would encourage Hawai'i insurers and the Hawai'i Property Insurance Association (HPIA) to reduce insurance costs on local residents by pursuing subrogation claims against polluters knowingly responsible for worsening climate impacts affecting insurance rates.

This approach will help stabilize Hawai'i's insurance market in the face of ever-costly damages from extreme weather events that are becoming more frequent and damaging as a result of increased fossil fuel pollution. Similar approaches are currently being considered in California¹, and many other states are grappling with how to rein in insurance costs and retain affordable insurance access.

For decades, the world's biggest oil and gas companies have internally known that the unabated use of their fossil fuel products could lead to, in the words of one Exxon scientist, "potentially catastrophic events."² Instead of disclosing these risks to the public, a growing body of evidence shows how the fossil fuel industry deliberately sought to discredit science and deceive the public and policymakers about the very real threats they knew the continued use of their products posed to our economy, ecosystems, and public health.³ Like tobacco and pharmaceutical companies, major oil companies lied about the harms of their products in order to protect their own profits.

Today, these same companies continue to deceive consumers through misleading advertisements that seek to portray their businesses as advancing climate solutions, even as they slash their trivial investments in renewable energy and continue to increase fossil fuel production.⁴ Last year members of Congress told the U.S. Department of Justice that a years-long investigation found that companies including Exxon, Chevron, Shell, and BP "worked in concert to mislead the public, policymakers, and investors with public promises to reduce emissions and meaningfully contribute to the transition away from oil and gas, while privately seeking to lock in continued fossil fuel production for decades into the future."

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB222

² <https://insideclimatenews.org/news/22092015/exxon-confirmed-global-warming-consensus-in-1982-with-in-house-climate-models/>

³ <https://climateintegrity.org/evidence/climate-deception>

⁴ <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0263596>

State and local governments across the U.S. — including the City and County of Honolulu⁵ and the County of Maui⁶ — have turned to the courts to hold major fossil fuel companies accountable for this deception and make them pay for the damage it has caused. In their complaints, Honolulu and Maui point to the exorbitant costs that the named fossil fuel defendants' deceptive actions have imposed on their communities including damages to municipal infrastructure and increased costs for adaptation and resiliency efforts.

Hawai'i's residents, businesses, and insurers are suffering vast harms as a result of the fossil fuel industry's deception and pollution.⁷ The widespread destruction from the deadly 2023 Lahaina wildfire, for example, whose ferocity was intensified by global warming from fossil fuel pollution,⁸ was not limited to municipal infrastructure. Insurance companies operating in Hawai'i have already paid out more than \$2.3 billion across more than ten thousand wildfire claims to fire victims, with another \$1 billion of additional insured losses yet to be paid. The mounting costs that the fossil fuel industry's deception and pollution has imposed, and will continue to impose, on property owners and insurers has led to increased rates of nonrenewals and now threatens the stability of the state's insurance market. Between 2018 and 2023, nonrenewal rates increased by 91% in the County of Kauai, 296% in the City and County of Honolulu, 184% in the County of Maui, and 70% in the County of Hawaii.⁹

The corporate actors whose decades-long dishonesty and deception has fueled this crisis must be held accountable. Policyholders should not be on the hook for rate increases while the fossil fuel companies most responsible for this crisis pay nothing. Before any more policyholders in Hawai'i lose insurance coverage, or are forced to pay more, rising insurance costs should be placed back on the entities whose business practices and deliberate decisions created the climate-fueled insurance crisis.

By encouraging the HPIA to subrogate on behalf of policyholders in order to recover the losses they have experienced as a result of the fossil fuel industry's actions, this important resolution demonstrates the state interest in the stability of Hawai'i's insurance market and limiting costly rate hikes for property owners who have no other insurance options.

We urge this committee to support SCR198 SD1.

⁵ <https://climateintegrity.org/lawsuits/case/honolulu-hi>

⁶ <https://climateintegrity.org/lawsuits/case/maui-county-hawaii>

⁷ <https://climateintegrity.org/uploads/media/CCI-Hawaii-ImpactsAndCosts-2024.pdf>

⁸ <https://www.nytimes.com/2023/08/10/climate/hawaii-fires-climate-change.html>

⁹ <https://www.nytimes.com/interactive/2024/12/18/climate/insurance-nonrenewal-rates-policies-state-map.html>



Environmental Caucus of The Democratic Party of Hawai'i

April 9, 2025

Testimony in Support of SCR198 SD1 ENCOURAGING HAWAII INSURERS AND THE HAWAII PROPERTY INSURANCE ASSOCIATION TO REDUCE INSURANCE COSTS ON LOCAL RESIDENTS BY PURSUING SUBROGATION CLAIMS AGAINST POLLUTERS WHO KNOWINGLY ENGAGED IN MISLEADING AND DECEPTIVE PRACTICES REGARDING THE CONNECTION BETWEEN THEIR PRODUCTS AND CLIMATE CHANGE

TO: Chair Nicole E. Lowen, Vice Chair Amy A. Perruso, and Members of the Committee on Energy & Environmental Protection

DATE: Thursday, April 10, 2025, **TIME:** 9:00 a.m. **PLACE:** Conference Room 325 & Via Videoconference

FROM: Environmental Caucus of the Democratic Party of Hawai'i

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

The Environmental Caucus of the Democratic Party of Hawai'i strongly supports SCR198 SD1, which encourages Hawai'i insurers and the Hawai'i Property Insurance Association to pursue subrogation claims against polluters who knowingly misled the public regarding the connection between their products and climate change. By holding polluters accountable, this resolution seeks to reduce the financial burden on Hawai'i's residents and advance climate justice.

Key arguments in support of SCR198 SD1 include:

- **Fair Accountability:** Polluters who engaged in deceptive practices should bear financial responsibility for the damages caused by their products, rather than placing the burden on Hawai'i's local residents and insurers.
- **Reduced Insurance Costs:** Pursuing subrogation claims against polluters can recover funds that offset rising insurance premiums, providing financial relief to residents and ensuring affordable property insurance.
- **Climate Justice:** Holding polluters accountable aligns with Hawai'i's commitment to equity and environmental stewardship, promoting fairness for communities disproportionately affected by climate change.

- **Incentivizing Responsible Practices:** This resolution sends a strong message to corporations to prioritize sustainable practices and transparency, deterring future misconduct.
- **Support for Decarbonization:** Recovering funds from polluters can be reinvested in renewable energy projects, climate adaptation measures, and other initiatives supporting Hawai‘i’s decarbonization goals.

We commend this resolution for prioritizing fairness, accountability, and sustainability. We respectfully urge the Committee to pass SCR198 SD1 to protect Hawai‘i’s residents from rising insurance costs while advancing efforts to combat climate change.

Mahalo nui loa for the opportunity to provide testimony.

Melodie Aduja and Alan Burdick

Co-Chairs, Environmental Caucus Democratic Party of Hawai‘i

SCR-198-SD-1

Submitted on: 4/8/2025 2:46:16 PM

Testimony for EEP on 4/10/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chanara Casey Richmond	Individual	Oppose	Written Testimony Only

Comments:

I oppose SCR198. Chanara Richmond HD42

SCR-198-SD-1

Submitted on: 4/8/2025 7:59:19 PM

Testimony for EEP on 4/10/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Stanbro	Individual	Support	In Person

Comments:

Aloha Chair Lowen, Vice-Chair Perruso, and members of the Committee:

I am in strong support of SCR198 SD1 and urge the Committee to approve this resolution.

While serving as Honolulu's Chief Resilience Officer from 2017-2021, it became clear that insurance costs due to climate change impacts was going to become a major disrupter for island residents. We worked to update building codes and improve affordability of flood insurance to try to mitigate insurance cost impacts.

Nevertheless, the rapidly escalating costs of climate change-fueled "unnatural disasters" such as the Maui fires in 2023 has spiked costs. One of the most important tools to maintain the financial sustainability of the insurance market is the ability to make polluters who knowingly caused the damage pay their fair share. Insurers should be encouraged and enabled to recover costs from corporations who reaped massive profits while creating the conditions for disasters that threaten our lives and property.

SCR198 SD1 rightly starts this conversation about holding culpable corporations accountable, and can help ensure the long-term stability of Hawai'i's insurance markets by bringing external dollars in to support devastated communities in our islands.

Please pass SCR198 SD1 today.

Mahalo, Josh Stanbro

Dave Jones

Former California Insurance Commissioner, 2011-2018

Testimony in Support of SCR 198 SD 1

My name is Dave Jones. I currently serve as the Director of the Climate Risk Initiative at the University of California (UC) Berkeley School of Law, Center for Law, Energy & the Environment. From 2019 through 2021 I served as Senior Director for Environmental Risk at The Nature Conservancy.

I served as Insurance Commissioner for the State of California from 2011 through 2018. As California's Insurance Commissioner, I regulated the largest insurance market in the United States. I worked on insurance regulatory matters with leaders and staff of the Hawai'i Division of Insurance, through the National Association of Insurance Commissioners (NAIC). During my term as insurance commissioner, California suffered from more frequent and severe wildfires, which killed and injured Californians, destroyed homes, businesses, and whole communities, and caused insurers to have to pay increasing amounts in claims.

I submit this testimony in support of SCR 198, which encourages insurers in Hawai'i and the Hawai'i Property Insurance Association (HPIA) to recover monetary losses from fossil fuel companies whose emissions have contributed to more extreme and severe weather-related catastrophes, which in turn are damaging or destroying property and causing insurers increased losses. This in turn is driving up insurance prices and causing insurers to limit insurance availability. Insurers and the HPIA would help stabilize Hawai'i's insurance market in the face of ever-costly damages from climate-fueled extreme weather events by bringing subrogation claims against fossil fuel companies whose emissions have contributed to insurance and HPIA losses.

Subrogation is a common law, statutory, and/or contractual right available to insurers throughout the United States. Subrogation enables insurers to recover, from third parties whose actions or inactions have caused damage or losses to their policyholder, claims payments the insurers have made to policyholders under the terms of their insurance policy. Subrogation allows insurers to stand in the shoes of their policyholders and bring civil claims against third parties available to their policyholders which have not otherwise been brought by the policyholder.

The funds that an insurance company recovers through subrogation or any other claim against a third party, are offset against the losses or “experience” of the insurance company for purposes of determining the rate needed by the insurance company going forward.

An example of subrogation can be seen in California with the Camp Fire and civil lawsuits brought by insurers exercising subrogation claims for insurance payouts to customers due to losses and damage to their homes and businesses from the Camp Fire. In 2018, during my term as California Insurance Commissioner, the Camp Fire killed at least 85 Californians, destroyed 18,840 structures including 13,500 homes, wiped out the town of Paradise, and caused insurers to pay out over \$12 billion in claims payments. The Camp Fire was ignited by equipment owned and operated by the Pacific Gas and Electric Company (PG&E), which provides gas and electricity to customers in northern California.

Insurers in California, exercising subrogation claims, recovered \$11 Billion that they paid out to customers due to the Camp Fire. These proceeds were then considered by the California Department of Insurance as it reviewed and approved rates for the insurers going forward

SCR 198 encourages insurers operating in Hawai'i and the Hawai'i Property Insurance Association to recover losses attributable to climate change and extreme weather from fossil fuel companies in order to reduce the pressure to increase price or limit insurance availability. By encouraging the HPIA and insurers to bring subrogation claims in order to recover the losses they have experienced as a result of the fossil fuel industry's actions, the stability of Hawai'i's insurance market will be improved.

I urge the committee to support SCR 198 SD1

SCR-198-SD-1

Submitted on: 4/9/2025 2:29:12 PM

Testimony for EEP on 4/10/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.