
A BILL FOR AN ACT

RELATING TO WILDFIRES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that as the risk of
2 catastrophic wildfires in Hawaii has increased, so has the
3 threat of property damage from these fires. The legislature
4 further finds that the public interest would be served by
5 providing a rapid, efficient, and low-cost process for property
6 owners, renters, businesses, and their insurers to obtain
7 compensation if a regulated utility is alleged to have caused or
8 contributed to the damage resulting from a catastrophic
9 wildfire. The legislature also finds that under existing law,
10 individuals and businesses must pursue civil litigation, which
11 is a lengthy, costly, and contentious process.

12 The legislature further finds that litigation regarding
13 wildfire damages can impose massive costs, and those costs can
14 overwhelm utilities, undermining their ability to make
15 investments that the State needs. Establishing a fund, combined
16 with limitations on liability, could help to address these
17 challenges.



1 Accordingly, the purpose of this Act is to:

2 (1) Convene a working group to analyze certain proposed
3 legislation that would establish a wildfire recovery
4 fund; and

5 (2) Require the working group to submit a report of its
6 findings and any proposed legislation to the
7 legislature prior to the convening of the 2026 regular
8 session.

9 SECTION 2. (a) There is established within the department
10 of commerce and consumer affairs a working group to review,
11 examine, and analyze the provisions related to the wildfire
12 recovery fund as proposed in Senate Bill No. 897 and House Bill
13 No. 982, introduced during the regular session of 2025,
14 including:

15 (1) A determination of the size of the wildfire recovery
16 fund, which may include commissioning an actuarial
17 study;

18 (2) A study on the proper governance of the public
19 corporation that would oversee the wildfire recovery
20 fund;



1 (3) Consideration of the benefits of an administrative
2 process to provide efficient and low-cost recovery for
3 claimants, as well as the proper mechanism for the
4 fund to provide the administrative process; and

5 (4) A comparison of similar funds in other states and how
6 those funds have affected the credit ratings of other
7 electric utilities in their respective states.

8 (b) The working group shall consist of:

9 (1) The director of commerce and consumer affairs, or the
10 director's designee, who shall serve as chairperson of
11 the working group;

12 (2) A representative of the department of the attorney
13 general;

14 (3) A representative of the public utilities commission;

15 (4) A representative of the division of consumer advocacy
16 of the department of commerce and consumer affairs;

17 (5) A representative of the insurance division of the
18 department of commerce and consumer affairs;

19 (6) A representative of Hawaiian Electric, who shall be
20 invited by the chairperson of the working group;



1 (7) A representative of Kauai Island Utility Cooperative,
2 who shall be invited by the chairperson of the working
3 group;

4 (8) Representatives of property insurers that conduct
5 business in the State, who shall be invited by the
6 chairperson of the working group; and

7 (9) Any other individuals deemed necessary by the
8 chairperson of the working group.

9 SECTION 3. The working group shall submit a report of its
10 findings and recommendations, including any proposed
11 legislation, to the legislature no later than ninety days prior
12 to the convening of the regular session of 2026. The report
13 shall include findings concerning the establishment and
14 implementation of a wildfire recovery fund to provide efficient
15 compensation for damages resulting from a future catastrophic
16 wildfire event allegedly caused or exacerbated by a public
17 utility while also helping to protect the financial integrity of
18 the State's regulated utilities.

19 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

DCCA; Wildfire Recovery Fund; Working Group; Report

Description:

Establishes a working group within the Department of Commerce and Consumer Affairs to conduct a study concerning the creation of a Wildfire Recovery Fund. Requires a report to the Legislature. Effective 7/1/3000. (SD1)

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