STAND. COM. REP. NO. 2775

Honolulu, Hawaii

FEB 2 9 2008

RE: S.B. No. 2783

S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2783, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LOSS MITIGATION,"

begs leave to report as follows:

The purpose of this measure is to include earthquake resistive devices in the state loss mitigation grant program.

The measure also requires the Insurance Commissioner to develop criteria for earthquake resistive devices and appropriates funds to the loss mitigation grant fund.

Your Committee received testimony in support of this measure from the Research Corporation of the University of Hawaii, the Simpson Strong-Tie Company, and the Hawaii Lumber Products Association. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors. Hawaii Security Shutters submitted comments on this measure.

Your Committee finds that as more and more residents decide against purchasing disaster-related insurance coverage, the importance of loss mitigation increases. Expanding the state loss mitigation grant program to include earthquake resistive devices will provide needed incentives for homeowners to protect against the devastation of natural disasters.

Your Committee has amended the measure by:

- (1) Increasing the grant reimbursement percentage for wind and earthquake devices to fifty per cent;
- (2) Increasing the individual grant limit to \$5,000 for wind and earthquake devices;
- (3) Requiring the Insurance Division of the Department of Commerce and Consumer Affairs to develop a loss mitigation public awareness campaign and providing funding;
- (4) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices;
- (5) Extending the loss mitigation grant program for three years;
- (6) Authorizing the Insurance Commissioner to determine standards for earthquake and wind resistive installation procedures and engineering content; and
- (7) Making technical nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2783, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* SB2783,SD1	Committee Referral: で升、ルAM		•	Date: 2/22/08	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
FUKUNAGA, Carol					
HOOSER, Gary L.					/
INOUYE, Lorraine R.					
KIM, Donna Mercado					
MENOR, Ron			oso za rocenski militari kalik		Para de Vermania de Composito de Caracterio
TOKUDA, JIII N.					
HEMMINGS, Fred					
WHALEN, Paul					
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TOTAL		11	0	0	Sig 1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes