

STAND. COM. REP. NO. 3549

Honolulu, Hawaii

APR 03 2024

RE: S.C.R. No. 93
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 93 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO COORDINATE AND DEVELOP A WILDFIRE INSURANCE COMPACT,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Insurance Commissioner to coordinate and develop a Wildfire Insurance Compact.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that the State is facing the growing challenge of managing and preventing dangerous wildfires, which has only been exacerbated by the rising temperatures associated with climate change. As property insurance markets continue to adjust to the uncertainty of and increased risks posed by wildfires, your Committee finds that the State should also consider exploring new, coordinated approaches that could help manage costs, expedite recovery, and ensure that insurance coverage remains available and affordable for Hawaii residents. Therefore, this measure requests the Insurance Commissioner to coordinate and develop new risk sharing approaches to wildfires,



specifically, a compact that focuses primarily on risk pooling, with strategic partner states to provide mutual aid among members.

Your Committee notes the concerns raised by the testimony of the Insurance Division of the Department of Commerce and Consumer Affairs that this measure is unclear as to how a compact would provide a mechanism for risk pooling or the specifications for risk pooling, including the focus points, definitions, and parameters to consider in an assessment for risk pooling. Therefore, amendments to this measure are necessary to address this concern.

Accordingly, your Committee has amended this measure by:

- (1) Requesting the Insurance Commissioner to research and convene stakeholder discussions to consider the concept of a Wildfire Insurance Compact with strategic partner states that have similar wildfire risks or robust disaster management systems, rather than coordinate and develop a Wildfire Insurance Compact;
- (2) Amending its title to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>SCR 93</i>	Committee Referral: <i>CPN</i>	Date: <i>3/22/24</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Carol Fukunaga</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes