



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I**  
**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

**NADINE Y. ANDO**  
DIRECTOR | KA LUNA HO'OKELE

**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA  
**SYLVIA LUKE**  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

**DEAN I HAZAMA**  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**KA 'OIHANA PILI KĀLEPA**  
335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: (808) 586-2850  
Fax Number: (808) 586-2856  
cca.hawaii.gov

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the**  
**House Committee on Water & Land**  
**Tuesday, March 19, 2024**  
**9:30 a.m.**  
**State Capitol, Conference Room 430 and via Videoconference**

**On the following measure:**  
**H.C.R. 72**

Chair Ichiyama and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this resolution.

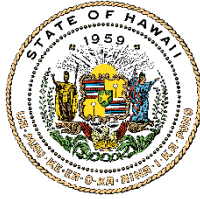
The purpose of this bill is to request the Insurance Commissioner to coordinate and develop a wildfire insurance compact.

While the Department appreciates the intent of this resolution, it notes that information sharing between states currently exists without the assistance of a compact. Additionally, the resolution does not make clear how a compact would provide a mechanism for 'risk pooling' (p. 2, line 22), nor does it specify, *inter alia*, focus points, definitions, and/or parameters to consider in an assessment for 'risk pooling'.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621  
HONOLULU, HAWAII 96809

**DAWN N.S. CHANG**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
**RYAN K.P. KANAKA'OLE**  
FIRST DEPUTY  
**DEAN D. UYENO**  
ACTING DEPUTY DIRECTOR - WATER  
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
DAWN N. S. CHANG  
Chairperson**

**Before the House Committee on  
WATER & LAND**

**Tuesday, March 19, 2024  
9:30 AM**

**State Capitol, Conference Room 430 and Via Videoconference**

**In consideration of  
HOUSE CONCURRENT RESOLUTION 72/ HOUSE RESOLUTION 57  
REQUESTING THE INSURANCE COMMISSIONER TO COORDINATE AND  
DEVELOP A WILDFIRE INSURANCE COMPACT**

House Concurrent Resolution 72/ House Resolution 57 requests that the insurance commissioner coordinate with states with similar wildfire risk and develop a wildfire insurance compact. **The Department of Land and Natural Resources (Department) supports these measures.**

The wildfires of August 8th, 2023, fueled by dry conditions and exacerbated by strong winds from a passing hurricane, led to catastrophic losses, including the lives of at least 101 individuals and the destruction of over 2,200 buildings. The financial toll of this disaster extends into the billions, underscoring a dire need for innovative solutions to manage and mitigate the risks associated with such disasters.

The aftermath of the Lahaina tragedy has placed immense pressure on local insurance markets, threatening the availability and affordability of coverage for our residents. There is a legitimate concern that insurance providers may reconsider their engagement with the Hawaiian market, deeming the risks too high or the costs unsustainable. This potential reevaluation by insurers underscores the urgency of developing a coordinated approach to wildfire risk and insurance coverage.

Developing a wildfire insurance compact represents a proactive step toward securing our state's future amid increasing wildfire occurrences. By pooling risks and sharing informational technology with states that face similar challenges or possess advanced disaster management

systems, Hawai‘i can enhance its resilience and ensure the continued availability of essential insurance coverage for its residents.

Mahalo for the opportunity to provide testimony in support of this measure.