
SENATE CONCURRENT RESOLUTION

URGING THE CONGRESS OF THE UNITED STATES TO ENACT A NATIONAL
REINSURANCE PROGRAM TO ADDRESS THE MULTI-STATE INSURANCE
CRISIS RESULTING FROM CATASTROPHIC NATURAL DISASTERS.

1 WHEREAS, the frequency and severity of catastrophic natural
2 disasters, including hurricanes, wildfires, floods, and
3 earthquakes, have increased due to climate change, causing
4 billions of dollars in insured losses and creating instability
5 in state insurance markets across the United States; and
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7 WHEREAS, major private insurers and reinsurers have begun
8 withdrawing from high-risk areas, leading to a significant
9 reduction in available coverage, and skyrocketing premiums; and
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11 WHEREAS, the withdrawal of private insurers in high-risk
12 areas has resulted in an insurance crisis affecting homeowners,
13 businesses, and agricultural producers, many of whom struggle to
14 secure adequate coverage at reasonable rates; and
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16 WHEREAS, some states have attempted to resolve the
17 insurance crisis by establishing not-for-profit insurers of last
18 resort, such as California's FAIR Plan, Florida's Citizens
19 Property Insurance Corporation, and the State's Hawaii Property
20 Insurance Association consisting of persons authorized to
21 transact property and casualty insurance in the State; and
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23 WHEREAS, unfortunately, these state-established insurers of
24 last resort now often bear a disproportionate share of
25 catastrophic risk in the market and face solvency issues as the
26 licensed private insurers that are required to help fund them
27 flee their respective states; and
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29 WHEREAS, legislative measures recently introduced in the
30 United States Congress, including the Disaster Resiliency and
31 Coverage Act of 2025, H.R. 1105, 119th Cong. (2025), and the



1 Emergency Conservation Program Improvement Act of 2025, S. 629,
2 119th Cong. (2025), aim to enhance natural disaster resilience
3 and accelerate recovery efforts, but do not address the
4 fundamental insurance crisis that requires a long-term
5 reinsurance solution; and
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7 WHEREAS, the National Disaster Risk Reinsurance Program Act
8 of 2023, H.R. 3525, 118th Cong. (2023), sought to establish a
9 federal reinsurance program to provide stability in
10 disaster-prone areas by offering an additional layer of risk
11 protection for insurers, but was not enacted; and
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13 WHEREAS, a similar federal reinsurance program for natural
14 disasters could increase insurance availability, reduce premium
15 volatility, and protect state-instituted insurance funds by
16 covering only the most extreme catastrophic losses; and
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18 WHEREAS, a national reinsurance program could be structured
19 to operate at defined loss thresholds, ensuring that private
20 insurers and reinsurers continue to bear primary responsibility
21 while the federal government intervenes only in cases of severe
22 financial strain; and
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24 WHEREAS, the national reinsurance program could also
25 operate on an opt-in basis for states, allowing state insurance
26 regulators the flexibility to decide whether participation would
27 benefit their respective markets; and
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29 WHEREAS, establishing a national reinsurance program to
30 stabilize insurance markets nationwide will promote economic
31 security, homeownership sustainability, and disaster
32 preparedness while reducing the need for post-disaster federal
33 aid; now, therefore,
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35 BE IT RESOLVED by the Senate of the Thirty-third
36 Legislature of the State of Hawaii, Regular Session of 2025, the
37 House of Representatives concurring, that the Congress of the
38 United States is urged to establish a National Reinsurance
39 Program to address the multi-state insurance crisis resulting
40 from catastrophic natural disasters by serving as a financial
41 backstop for catastrophic natural disasters and ensuring



1 insurance market stability and consumer affordability across
2 multiple states; and
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4 BE IT FURTHER RESOLVED that the National Reinsurance
5 Program is requested to be structured as a public-private
6 partnership that includes:
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8 (1) Actuarial soundness;
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10 (2) State opt-in mechanisms; and
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12 (3) Clearly defined loss thresholds to protect taxpayers
13 while ensuring continued private market participation;
14 and
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16 BE IT FURTHER RESOLVED that the Congress of the United
17 States is urged to provide mitigation incentives, including
18 premium discounts, tax credits, and grant programs, to encourage
19 homeowners and businesses to invest in disaster-resistant
20 infrastructure, thereby reducing insurance costs and federal
21 disaster relief expenditures in the long-term; and
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23 BE IT FURTHER RESOLVED that the President of the United
24 States and the Secretary of the Treasury, in consultation with
25 the Federal Insurance Office and the Federal Emergency
26 Management Agency, are encouraged to develop interim measures to
27 stabilize insurance markets, including expanding access to
28 federal risk modeling and offering financial incentives for
29 insurers reentering high-risk markets; and
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31 BE IT FURTHER RESOLVED that certified copies of this
32 Concurrent Resolution be transmitted to the President of the
33 United States, Speaker of the United States House of
34 Representatives, President Pro Tempore of the United States
35 Senate, Secretary of the Treasury, Administrator of the Federal
36 Emergency Management Agency, Director of the Federal Insurance
37 Office, and Governor and Insurance Commissioner of each state.

