

MAR 07 2025

SENATE 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
6

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
10

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
15

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 all persons authorized to
21 transact property or casualty insurance in the State; and
22

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
28

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
32 Emergency Conservation Program Improvement Act of 2025, S. 629.
33 119th Cong. (2025), aim to enhance natural disaster resilience
34 and accelerate recovery efforts, but do not address the



1 fundamental insurance crisis that requires a long-term
2 reinsurance solution; and
3

4 WHEREAS, the National Disaster Risk Reinsurance Program Act
5 of 2023, H.R. 3525. 118th Cong. (2023) sought to establish a
6 federal reinsurance program to provide stability in
7 disaster-prone areas by offering an additional layer of risk
8 protection for insurers, but was not enacted; and
9

10 WHEREAS, a similar federal reinsurance program for natural
11 disasters could increase insurance availability, reduce premium
12 volatility, and protect state-instituted insurance funds by
13 covering only the most extreme catastrophic losses; and
14

15 WHEREAS, a national reinsurance program could be structured
16 to operate at defined loss thresholds, ensuring that private
17 insurers and reinsurers continue to bear primary responsibility
18 while the federal government intervenes only in cases of severe
19 financial strain; and
20

21 WHEREAS, the national reinsurance program could also
22 operate on an opt-in basis for states, allowing state insurance
23 regulators the flexibility to decide whether participation would
24 benefit their respective markets; and
25

26 WHEREAS, establishing a national reinsurance program to
27 stabilize insurance markets nationwide will promote economic
28 security, homeownership sustainability, and disaster
29 preparedness while reducing the need for post-disaster federal
30 aid; now, therefore,
31

32 BE IT RESOLVED by the Senate of the Thirty-third
33 Legislature of the State of Hawaii, Regular Session of 2025,
34 that the Congress of the United States is urged to establish a
35 National Reinsurance Program to address the multi-state
36 insurance crisis resulting from catastrophic natural disasters
37 by serving as a financial backstop for catastrophic natural
38 disasters and ensuring insurance market stability and consumer
39 affordability across multiple states; and
40



BE IT FURTHER RESOLVED that the National Reinsurance Program is requested to be structured as a public-private partnership that includes:

- (1) Actuarial soundness;
- (2) State opt-in mechanisms; and
- (3) Clearly defined loss thresholds to protect taxpayers while ensuring continued private market participation; and

BE IT FURTHER RESOLVED that the Congress of the United States is urged to provide mitigation incentives, including premium discounts, tax credits, and grant programs, to encourage homeowners and businesses to invest in disaster-resistant infrastructure, thereby reducing insurance costs and federal disaster relief expenditures in the long-term; and

BE IT FURTHER RESOLVED that the President of the United States and the Secretary of the Treasury, in consultation with the Federal Insurance Office and the Federal Emergency Management Agency, are encouraged to develop interim measures to stabilize insurance markets, including expanding access to federal risk modeling and offering financial incentives for insurers reentering high-risk markets; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the President of the United States, Speaker of the United States House of Representatives, President of the United States Senate, United States Secretary of the Treasury, Administrator of the Federal Emergency Management Agency, Director of the Federal Insurance Office, Governor, and Insurance Commissioner of each state.

OFFERED BY: _____


