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# 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  
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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  
32 Emergency Conservation Program Improvement Act of 2025, S. 629,  
33 119th Cong. (2025), aim to enhance natural disaster resilience



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

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

