

Honolulu, Hawaii

March 20, 2008

RE: S.B. No. 2783
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 2783, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LOSS MITIGATION,"

begs leave to report as follows:

The purpose of this bill is to promote efforts to protect
against natural disasters by, among other things:

- (1) Including earthquake resistive devices in the Loss Mitigation Grant Program (Program);
- (2) Extending the Program for three years;
- (3) Increasing grant reimbursement amounts for wind resistive devices;
- (4) Requiring the Insurance Commissioner to develop criteria for earthquake resistive devices;
- (5) Requiring the Insurance Division to develop a public awareness campaign on hazard mitigation; and
- (6) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices.



Prior to the public hearing on this bill, your Committee circulated a proposed H.D. 1 that replaces the entire contents of this bill with provisions that:

- (1) Require and appropriate funds for the Research Corporation of the University of Hawaii, in collaboration with appropriate government agencies, to develop and prepare a report on comprehensive natural disaster impact zones to be used as the basis for disaster mitigation plans; and
- (2) Require the Insurance Commissioner to develop a plan to convert the Hawaii Hurricane Relief Fund (HHRF) program under Chapter 431P, Hawaii Revised Statutes, into a natural disaster relief program.

The Hawaii Association of REALTORS supported the intent of the proposed H.D. 1. The Structural Engineers Association of Hawaii, Hawaii Lumber Products Association, Hawaii Insurers Council, and several concerned individuals opposed the proposed H.D. 1. The Department of Commerce and Consumer Affairs and a concerned individual submitted comments on the proposed H.D. 1.

Upon further consideration, your Committee has amended this bill, as received, by retaining its original provisions and making the following amendments:

- (1) Requiring the State and each county to incorporate planning for natural hazards in land development processes;
- (2) Requiring and appropriating funds for the Department of Civil and Environmental Engineering of the University of Hawaii (UH) College of Engineering, in collaboration with the Social Science Research Institute of the UH College of Social Sciences, to prepare a strategic planning report on the feasibility of establishing comprehensive natural disaster hazard mapping for the State of Hawaii; and
- (3) Requiring the Insurance Commissioner to submit to the Legislature a report on the feasibility of converting the HHRF program into a natural disaster relief program.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2783, S.D. 2, H.D. 1.

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



ROBERT N. HERKES, Chair



