

STAND. COM. REP. NO.

2775

Honolulu, Hawaii

FEB 29 2008

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

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2783, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to include earthquake resistive devices in the state loss mitigation grant program.

The measure also requires the Insurance Commissioner to develop criteria for earthquake resistive devices and appropriates funds to the loss mitigation grant fund.

Your Committee received testimony in support of this measure from the Research Corporation of the University of Hawaii, the Simpson Strong-Tie Company, and the Hawaii Lumber Products Association. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors. Hawaii Security Shutters submitted comments on this measure.

Your Committee finds that as more and more residents decide against purchasing disaster-related insurance coverage, the importance of loss mitigation increases. Expanding the state loss mitigation grant program to include earthquake resistive devices will provide needed incentives for homeowners to protect against the devastation of natural disasters.

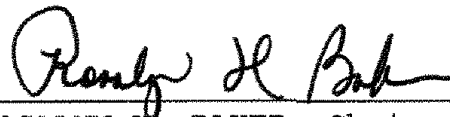


Your Committee has amended the measure by:

- (1) Increasing the grant reimbursement percentage for wind and earthquake devices to fifty per cent;
- (2) Increasing the individual grant limit to \$5,000 for wind and earthquake devices;
- (3) Requiring the Insurance Division of the Department of Commerce and Consumer Affairs to develop a loss mitigation public awareness campaign and providing funding;
- (4) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices;
- (5) Extending the loss mitigation grant program for three years;
- (6) Authorizing the Insurance Commissioner to determine standards for earthquake and wind resistive installation procedures and engineering content; and
- (7) Making technical nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2783, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



