

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 2299  
A BILL RELATING TO INSURANCE

PRESENTATION TO THE  
COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

BY

MAJOR GENERAL ROBERT G. F. LEE  
DIRECTOR OF CIVIL DEFENSE

February 4, 2008

Chair Inouye and Committee Members:

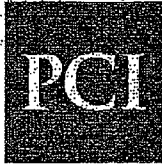
I am Major General Bob Lee, Director of Civil Defense, State Department of Defense. I am testifying on Senate Bill 2299.

County participation in the National Flood Insurance Program (NFIP) community rating system would encourage our residents to carry flood insurance. The recent flood-related disasters that affected various communities in our State clearly showed that many homes were not insured for flood damage. We therefore encourage local government participation in the NFIP community rating system as this may offer homeowners an incentive to purchase flood insurance.

The department therefore supports the intent of Senate Bill 2299 as long as it does not replace or adversely impact priorities as indicated in the Executive Supplemental Budget Request.

We defer to the Department of Land and Natural Resources for comment and recommendations.

Thank you for the opportunity to provide testimony.



**Property Casualty Insurers  
Association of America**

Shaping the Future of American Insurance

1415 L Street, Suite 670, Sacramento, CA 95814-3972

**To:** The Honorable Lorraine R. Inouye, Chair  
Senate Committee on Intergovernmental and  
Military Affairs

**From:** Samuel Sorich, Vice President

**RE:** **SB 2299 – Relating to Insurance**  
**PCI Position: Support**

**Date:** Monday, February 4, 2008  
1:15 p.m.; Conference Room 229

The Property Casualty Insurers Association of America (PCI) is an association of property/casualty insurers. There are more than 100 PCI member companies doing business in Hawaii. PCI members are responsible for approximately 45 percent of the property/casualty insurance premiums written in Hawaii.

SB 2299 would require all counties in Hawaii to participate in the National Flood Insurance Program's community rating system. The community rating system considers land-use decisions, encourages the use of strategies to reduce losses related to floods and promotes public awareness of the availability of flood insurance protection.

PCI supports SB 2299 because the adoption of the community rating system throughout Hawaii will increase property owners' participation in the National Flood Insurance Program and will encourage counties to undertake important flood prevention measures. Adoption of the community rating system will result in less damage following a major flood and fewer uninsured consumer losses.

PCI believes SB 2299 reduces the risk of loss and protects consumers. PCI requests that the Committee vote Yes on the bill.