



Pauahi Tower, Suite 2010
1003 Bishop Street
Honolulu, Hawaii 96813
Telephone (808) 525-5877
Facsimile (808) 525-5879

Alison Powers
Executive Director

TESTIMONY OF ALISON POWERS

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Representative Robert N. Herkes, Chair
Representative Angus L.K. McKelvey, Vice Chair

Monday, March 17, 2008
3:30 p.m.

SB 2783, SD2, PROPOSED HD1

LATE TESTIMONY

Chair Herkes, Vice Chair McKelvey and members of the committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 60% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** Section 4 of the proposed HD1 of SB 2783, SD2, which mandates the insurance commissioner to develop a plan to convert the HHRF established under Chapter 431P, HRS, into a natural disaster relief program.

The potential perils to be covered in this natural disaster relief program include hurricanes, high winds, flooding, lava inundation, earthquakes, and tsunamis. There are currently available insurance or programs in place to provide coverage for some of these perils such as hurricane, high winds, and flooding. Other perils such as lava inundation, earthquakes, and tsunamis are usually excluded from property policies because the risk of loss is very high if there is an occurrence. We believe the perils that have the potential to impact the most people in the State of Hawaii are hurricane, high winds, and flooding – all of which have coverage available or programs in place today.

A natural disaster fund may unfairly place the burden of covered losses on policyholders who are not in areas that suffer these catastrophes.

We respectfully request that the proposed HD1 of SB 2783, SD2 be held.

Thank you for the opportunity to testify.