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TO THE HOUSE COMMITTEE ON FINANCE
TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Thursday, March 14, 2013
2 p.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON SENATE BILL NO. 1092, S.D. 1 – MAKING AN APPROPRIATION
TO RECAPITALIZE THE HURRICANE RESERVE TRUST FUND.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports this Administration bill.

The purpose of this bill is to make an unspecified appropriation to recapitalize the Hawaii Hurricane Relief Fund’s (“HHRF”) hurricane reserve trust fund.

When HHRF ceased operations in 2002, there was approximately \$220 million in the hurricane reserve trust fund. Over the years, the hurricane reserve trust fund was reduced to \$20 million. Recapitalization would allow HHRF to restart more quickly following a hurricane by having monies available to purchase reinsurance. It would also allow HHRF to improve its claims-paying ability in the event HHRF needs to pay out claims under its hurricane insurance policies. The Department believes that the sum of \$25,000,000 would be a good start in recapitalizing the HHRF.

We thank the Committee for the opportunity to present testimony on this matter.