

SB 1092

Measure Title: MAKING AN APPROPRIATION TO RECAPITALIZE THE HURRICANE RESERVE TRUST FUND.

Report Title: Hurricane Reserve Trust Fund; Recapitalization

Description: Makes a general fund appropriation of \$25,000,000 for fiscal year 2014-2015 to recapitalize the Hurricane Reserve Trust Fund.

Companion: [HB861](#)

Package: Gov

Current Referral: CPN, WAM

Introducer(s): KIM (Introduced by request of another party)

Sort by Date		Status Text
1/24/2013	S	Introduced.
1/24/2013	S	Passed First Reading.
1/24/2013	S	Referred to CPN, WAM.
1/29/2013	S	The committee(s) on CPN has scheduled a public hearing on 02-06-13 9:00AM in conference room 229.



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Testimony in **support** of SB1092
Making an Appropriation to Recapitalize the Hurricane Reserve Trust Fund

Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brickwood Galuteria, Vice Chair

February 6, 2013
9:00 am Room 229

Chair Baker, Vice-Chair Galuteria, and members of the Commerce and Consumer Protection Committee:

The Office of the Governor **supports** Senate Bill 1092, Making an Appropriation to Recapitalize the Hurricane Reserve Trust Fund ("Fund"). This measure appropriates \$25 million to the shore up Hawaii's fiscal reserves.

As Hawaii emerges from one of the most challenging economic periods in its history, it is clear that having sufficient fiscal reserves can help carry the State through difficult economic times. Now that the economy is rebounding and more resources are available, a concerted effort must be made to recapitalize the State's depleted fiscal reserves.

While Act 62, Session Laws of Hawaii 2011, mandates the return of the money borrowed from the Fund, this measure (SB1092) appropriates an additional \$25 million to the Fund, which should bring the balance of the Fund up to \$157 million in Fiscal Year 2014-2015.

Thank you for the opportunity to testify.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Wednesday, February 6, 2013
9 a.m.

WRITTEN TESTIMONY ONLY

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

TO THE HONORABLE ROSALYN BAKER, 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 appropriation of \$25 million 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 will allow HHRF to restart quicker following a
hurricane by having monies available to purchase reinsurance. It will also allow HHRF
to improve its claims paying ability in the event HHRF needs to pay out under its
hurricane insurance policies.

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

HAWAII HURRICANE RELIEF FUND

335 Merchant Street #213

Honolulu, HI 96813

To The Senate Committee on Commerce and Consumer Protection

Twenty-Seventh Legislature
Regular Session of 2013

Wednesday, February 6, 2013
9 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 1092-MAKING AN APPROPRIATION TO
RECAPITALIZE THE HURRICANE RESERVE TRUST FUND

TO THE HONORABLE ROSALYN BAKER, CHAIR, AND MEMBERS OF THE
COMMITTEE

My name is Lloyd Lim, acting executive director of the Hawaii Hurricane Relief Fund ("HHRF"). I am testifying on behalf of the HHRF Board of Directors.

HHRF supports SB 1092, which recapitalizes HHRF's trust fund. HHRF now has only about \$20 million in its trust fund. HHRF needs significant moneys to restart quickly, buy reinsurance, and pay claims on its insurance policies when they come due.

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