

Honolulu, Hawaii

FEB 12 2013

RE: S.B. No. 1092

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1092 entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION TO RECAPITALIZE THE HURRICANE RESERVE TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to make a general fund appropriation of \$25,000,000 for fiscal year 2014-2015 to recapitalize the hurricane reserve trust fund.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Commerce and Consumer Affairs, and Hawaii Hurricane Relief Fund Board of Directors.

Your Committee finds that this measure will recapitalize the Hawaii Hurricane Relief Fund's hurricane reserve trust fund. When the Hawaii Hurricane Relief Fund ceased operations in 2002, there was approximately \$200,000,000 in the hurricane reserve trust fund. Over the years, the hurricane reserve trust fund has been reduced to \$20,000,000.

Your Committee further finds that recapitalization of the hurricane reserve trust fund will permit the Hawaii Hurricane Relief Fund to quickly restart if necessary following a hurricane, as monies will be available to purchase reinsurance. It will also permit the Hawaii Hurricane Relief Fund to improve its claims-



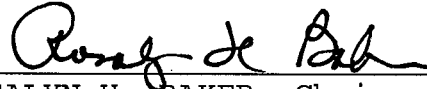
paying ability in the event the Hawaii Hurricane Relief Fund needs to pay out under its hurricane insurance policies.

Your Committee has amended this measure by:

- (1) Replacing the appropriation of \$25,000,000 with a blank appropriation amount; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1092, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



