

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 2732
A BILL RELATING TO THE HAWAII HURRICANE RELIEF FUND

PRESENTATION TO
THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

BY
MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL
AND DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY
March 14, 2016

Chair McKelvey, Vice Chair Woodson and Members of the House Committee on Consumer Protection & Commerce:

I am Major General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in support of Senate Bill 2732.

This measure directs any interest earned on the balance of the Hurricane Reserve Trust Fund be kept in the trust fund. The second part of this measure requires the board of directors of the fund to conduct a study of the acquisition of a catastrophic hurricane loss financing arrangement with all or a portion of the interest earned in the trust fund.

Both initiatives can only increase the value of the Hurricane Reserve Trust Fund. The fund will help Hawaii recover from a future catastrophe hurricane.

Thank you for allowing me to testify in support of Senate Bill 2732.

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PRESENTATION TO
THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

BY
VERN MIYAGI
ADMINISTRATOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY
March 14, 2016

Chair McKelvey, Vice Chair Woodson and the members of the House Committee on Consumer Protection & Commerce

I am Vern Miyagi, Administrator of the Hawaii Emergency Management Agency. I am testifying in support of Senate Bill 2732.

The two proposals in this measure will allow the growth of the Hurricane Reserve Trust Fund. Redirecting the interest earned on the fund back into the fund is fundamental. The study of the acquisition of a catastrophic hurricane loss financing arrangement could lead to other ways of funding Hawaii's recovery after a devastating hurricane.

The committee should allow this measure to move on through the legislative process.

Thank you for allowing me to provide testimony in support of Senate Bill 2732.

HAWAII HURRICANE RELIEF FUND

335 Merchant Street #213

Honolulu, HI 96813 (Phone: 586-2804)

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Monday, March 14, 2016
2:00 p.m.

TESTIMONY ON SENATE BILL NO. 2732 - RELATING TO THE HAWAII HURRICANE RELIEF FUND.

TO THE HONORABLE ANGUS L.K. McKELVEY, 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 takes no position on SB 2732, which repatriates interest on the HHRF reserve. Also, HHRF provides the following comments on this bill's proposed study.

First, when HHRF is dormant, a financing transaction may not be allowed legally because there is no indemnification or reimbursement of actual losses as is usually required in insurance-related transactions. Second, the federal Stafford Act will not allow federal funds to supplant state funds, resulting in a reduction of a dollar of payments for every dollar of loss that the State of Hawaii covers.

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

March 14, 2016

The Honorable Angus McKelvey, Chair

House Committee on Consumer Protection and Commerce
State Capitol, Room 325
Honolulu, Hawaii 96813

RE: S.B. 2732, Relating to the Hawaii Hurricane Relief Fund

HEARING: Monday, March 14, 2016 at 2:00 p.m.

Aloha Chair McKelvey, Vice Chair Woodson, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,800 members. HAR **supports** S.B. 2732 which requires the interest earned on the balance of the Hawaii Hurricane Reserve Trust fund to be retained in the trust fund. This measure also requires the Board of Directors of the Hawai'i Hurricane Relief Fund (“HHRF”) to conduct a study of the acquisition of a catastrophic hurricane loss financing arrangement with all or a portion of the interest earned in the trust fund.

It has been over 20 years since the formation of the HHRF and HAR believes this study is a prudent investment in ensuring that the HHRF will be able to provide hurricane insurance or other avenues to fund the State's recovery after a devastating hurricane.

On September 11, 1992, Hurricane Iniki struck Kaua'i, causing \$1.6 billion in damage. The devastation caused by Iniki left many insurance companies unable to obtain reinsurance, which rendered them incapable of providing insurance to the people of Kaua'i. Numerous real estate transactions were stalled or fell through as a direct result, leaving prospective homeowners and renters in limbo.

Mahalo for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 10, 2016 10:23 AM
To: CPCtestimony
Cc: victor.ramos@mpd.net
Subject: *Submitted testimony for SB2732 on Mar 14, 2016 14:00PM*

SB2732

Submitted on: 3/10/2016

Testimony for CPC on Mar 14, 2016 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Victor K. Ramos	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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