



# SB2732

Measure Title:	RELATING TO THE HAWAII HURRICANE RELIEF FUND.
Report Title:	Hawaii Hurricane Relief Fund; Interest Earned, Catastrophic Loss Financing Arrangement Study; Appropriation (\$)
Description:	Requires the interest earned on the balance of the Hawaii hurricane reserve trust fund to be retained in the trust fund. Requires the board of directors of the Hawaii hurricane relief 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. Appropriates hurricane reserve trust fund moneys for the study. Effective 07/01/16.
Companion:	
Package:	None
Current Referral:	PSM, WAM
Introducer(s):	TOKUDA, BAKER, DELA CRUZ, ENGLISH, GABBARD, GALUTERIA, HARIMOTO, INOUE, KEITH-AGARAN, KIDANI, KOUCHI, NISHIHARA, RIVIERE, SHIMABUKURO, Wakai

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

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

PRESENTATION TO  
THE SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL,  
AND MILITARY AFFAIRS

BY  
MAJOR GENERAL ARTHUR J. LOGAN  
ADJUTANT GENERAL  
AND DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY  
February 2, 2016

Chair Nishihara, Vice Chair Espero, and Members of the Senate Committee on Public Safety, Intergovernmental, and Military Affairs

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.

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

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

PRESENTATION TO  
THE SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL,  
AND MILITARY AFFAIRS

BY  
VERN MIYAGI  
ADMINISTRATOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY  
February 2, 2016

Chair Nishihara, Vice Chair Espero, and Members of the Senate Committee on Public Safety, Intergovernmental, and Military Affairs

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 opportunity to testify in **SUPPORT** of Senate Bill 2732.

# HAWAII HURRICANE RELIEF FUND

335 Merchant Street #213

Honolulu, HI 96813 (Phone: 586-2804)

---

To the Senate Committee on Public Safety, Intergovernmental, and  
Military Affairs

Twenty-Eighth Legislature  
Regular Session of 2016

Tuesday, February 2, 2016  
1:20 p.m.

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

TO THE HONORABLE CLARENCE K. NISHIHARA, 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.

February 2, 2016

**The Honorable Clarence K. Nishihara, Chair**

Senate Committee on Public Safety,  
Intergovernmental, and Military Affairs  
State Capitol, Room 229  
Honolulu, Hawaii 96813

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

**HEARING: Tuesday, February 2, 2016 at 1:20 p.m.**

Aloha Chair Nishihara, Vice Chair Espero, 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. Appropriates Hurricane Reserve Trust Fund moneys for the study.

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 of investor-owned properties in limbo. Many parties, including HAR, worked on the formation of the HHRF during the 1993 legislative session.

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, in a timely fashion, to Hawaii's homeowners should a hurricane hit.

Mahalo for the opportunity to testify.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [PSMTestimony](#)  
**Cc:** [mendezj@hawaii.edu](mailto:mendezj@hawaii.edu)  
**Subject:** \*Submitted testimony for SB2732 on Feb 2, 2016 13:20PM\*  
**Date:** Thursday, January 28, 2016 2:30:05 PM

---

**SB2732**

Submitted on: 1/28/2016

Testimony for PSM on Feb 2, 2016 13:20PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)