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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Friday, February 9, 2024
9:30 A.M.
State Capitol, Conference Room 229 and via Videoconference

On the following measure:
S.B. 2087, RELATING TO WILDFIRE RISK AND INSURANCE

Chair Keohokalole and Members of the Committee:

My name is Gordon I. Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to require the Insurance Commissioner to conduct a study on wildfire risk and insurance and submit a report to the Legislature prior to the Regular Session of 2025.

With respect to conducting a comprehensive study on insurance and market-based approaches, the Insurance Division currently does not have the resources or staff with expertise to undertake this request. Thus, the Department would need funds to be appropriated to hire consultants.

Further, we respectfully suggest that a State Fire Marshall, if such an office is created during this Legislative Session, may be better suited to conducting the study described in this bill.

Finally, we respectfully ask that the deadline to submit a report be delayed until at least one year after passage of this bill to allow sufficient time to organize and conduct both studies.

Thank you for the opportunity to testify.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

S.B. NO. 2087, RELATING TO WILDFIRE RISK AND INSURANCE.

BEFORE THE:

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

DATE: Friday, February 9, 2024 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 229 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Andrew I. Kim or Bryan C. Yee, Deputy Attorneys General

Chair Keohokalole and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill requires the Insurance Commissioner to conduct a study on wildfire risk and insurance and submit a report regarding the study to the Legislature prior to the Regular Session of 2025.

The title of the bill is "Relating to Wildfire Risk and Insurance", which may be subject to a legal challenge for having more than one subject. Pursuant to article III, section 14, of the Hawaii State Constitution, "Each law shall embrace but one subject, which shall be expressed in its title." The Hawaii Supreme Court has held that this provision is mandatory, and a violation thereof would invalidate legislation. See Schwab v. Ariyoshi, 58 Haw. 25, 31, 564 P.2d 135, 139 (1977). If possible, we recommend that another bill be used as a vehicle to carry out the purpose of the bill. For example, bills with the title, relating to insurance or relating to wildfires, may be potential candidates.

Thank you for the opportunity to present this testimony.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Friday, February 9, 2024 AT 9:30 A.M.**

To The Honorable Senator Jarrett Keohokalole, Chair
The Honorable Senator Carol Fukunaga, Vice Chair
Members of the committee on Commerce and Consumer Protection

COMMENTS ON SB2087 RELATING TO WILDFIRE RISK AND INSURANCE

The Maui Chamber of Commerce would like to **COMMENT on SB2087** which requires the Insurance Commissioner to conduct a study on wildfire risk and insurance and submit a report regarding the study to the Legislature prior to the Regular Session of 2025.

The Chamber appreciates this proposal and notes that this may overlap and could possibly be combined with SB2145 where the insurance commissioner could use the reports from the counties. The commissioner could possibly make visits to each island if they wanted to add to the county's findings, however we like each county having its own detailed report. We feel the combined proposals present a better option and would bring in market-based approaches.

Mahalo for the opportunity to **COMMENT on SB2087**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.