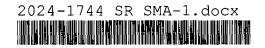
S.R. NO. 160

MAR - 8 2024

SENATE RESOLUTION

REQUESTING THE INSURANCE COMMISSIONER TO CONDUCT A COMPREHENSIVE STUDY ON WILDFIRE RISK AND INSURANCE, INCLUDING MARKET-BASED APPROACHES.

WHEREAS, on August 8, 2023, several large wildfires burned 1 hundreds of acres in the North Kohala and South Kohala areas of 2 Hawaii County and the Kula and Lahaina areas of Maui County; and 3 4 WHEREAS, on the same day, the Office of the Governor issued 5 an emergency proclamation declaring a state of emergency for the 6 counties of Maui and Hawaii; and 7 8 9 WHEREAS, these wildfires spread considerably quickly due to strong winds from Hurricane Dora and caused widespread damage, 10 especially in the coastal town of Lahaina; and 11 12 WHEREAS, the impacts of these wildfires led to a second 13 14 emergency proclamation issued on August 9, 2023, which extended the state of emergency to all counties of the State, discouraged 15 non-essential air travel to the island of Maui, and ordered all 16 affected state agencies to assist as needed to provide disaster 17 relief and avert any imminent public danger and threat, 18 including evacuating the civilian population; and 19 20 WHEREAS, on August 10, 2023, President Biden issued a 21 presidential declaration of a major disaster for the State, 22 ordering federal aid to supplement state and local recovery 23 efforts in the areas affected by wildfires beginning on 24 August 8, 2023, and continuing to this day; and 25 26 WHEREAS, the August 2023 Maui wildfires devastated eighty 27 percent of Lahaina, destroying over two thousand homes and over 28 eight hundred places of business; and 29 30 31 WHEREAS, as of February 2024, the death toll from the wildfires comprised one hundred one lives, while two individuals 32 remain missing; and 33 34



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WHEREAS, the Department of Business, Economic Development, 1 and Tourism's third quarter 2023 report estimated lost business 2 revenue as a result of the August 2023 Maui wildfires at 3 \$2,700,000 per day; and 4 5 WHEREAS, property damage from the August 2023 Maui 6 7 wildfires was initially estimated at \$6,000,000,000; and 8 WHEREAS, the August 2023 Maui wildfires not only resulted 9 in one of the worst natural disasters in the State's history, 10 but is also considered the fifth deadliest wildfire in United 11 States history; and 12 13 WHEREAS, efforts to reconstruct Lahaina are projected to 14 take anywhere from five to ten years; and 15 16 WHEREAS, in the aftermath of the August 2023 Maui 17 wildfires, thousands of Lahaina residents continue to struggle 18 with securing funds to rebuild homes, find affordable housing, 19 and purchase everyday essential items while recovering from the 20 health, environmental, educational, and economic impacts of the 21 22 wildfires; and 23 WHEREAS, significant issues have emerged including delayed 24 or denied insurance claims, concurrent mortgage payments on 25 destroyed homes, and rent for temporary housing, creating 26 uncertainty for many residents of Lahaina that need immediate 27 relief to rebuild their lives, homes, and businesses in the 28 29 recovery process; and 30 WHEREAS, the August 2023 Maui wildfires are changing the 31 way insurers view Hawaii's wildfire risk, much like how 32 Hurricane Iniki in 1992 affected the coverage of new hurricane 33 34 insurance policies in the State; and 35 WHEREAS, due to the results of climate change and the 36 likelihood of extreme weather events in the future, wildfires 37 38 have become a significant and growing hazard across the State; 39 and 40 WHEREAS, the increased risk of property damage stemming 41 from wildfires may lead insurers to raise rates, refuse to 42



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1 provide coverage for certain losses or certain high-risk areas of the State, reduce their policy-count, or pull out of the 2 insurance market in the State altogether; and 3 4 WHEREAS, it is in the public interest to ensure the 5 6 accessibility and availability of adequate insurance coverage of future losses from wildfires for the welfare and safety of 7 residents in the State; now, therefore, 8 9 BE IT RESOLVED by the Senate of the Thirty-second 10 Legislature of the State of Hawaii, Regular Session of 2024, 11 that the Insurance Commissioner is requested to conduct a 12 comprehensive study on wildfire risk and insurance, including 13 14 market-based approaches; and 15 16 BE IT FURTHER RESOLVED that the Insurance Commissioner is 17 requested to submit a report of their findings and 18 recommendations regarding the study of wildfire risk and insurance, including any proposed legislation, to the 19 20 Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and 21 22 BE IT FURTHER RESOLVED that a certified copy of this 23 24 Resolution be transmitted to the Insurance Commission ?r. 25 26 27 OFFERED BY:

