

MAR - 8 2024

SENATE RESOLUTION

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

1 WHEREAS, on August 8, 2023, several large wildfires burned
2 hundreds of acres in the North Kohala and South Kohala areas of
3 Hawaii County and the Kula and Lahaina areas of Maui County; and
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5 WHEREAS, on the same day, the Office of the Governor issued
6 an emergency proclamation declaring a state of emergency for the
7 counties of Maui and Hawaii; and
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9 WHEREAS, these wildfires spread considerably quickly due to
10 strong winds from Hurricane Dora and caused widespread damage,
11 especially in the coastal town of Lahaina; and
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13 WHEREAS, the impacts of these wildfires led to a second
14 emergency proclamation issued on August 9, 2023, which extended
15 the state of emergency to all counties of the State, discouraged
16 non-essential air travel to the island of Maui, and ordered all
17 affected state agencies to assist as needed to provide disaster
18 relief and avert any imminent public danger and threat,
19 including evacuating the civilian population; and
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21 WHEREAS, on August 10, 2023, President Biden issued a
22 presidential declaration of a major disaster for the State,
23 ordering federal aid to supplement state and local recovery
24 efforts in the areas affected by wildfires beginning on
25 August 8, 2023, and continuing to this day; and
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27 WHEREAS, the August 2023 Maui wildfires devastated eighty
28 percent of Lahaina, destroying over two thousand homes and over
29 eight hundred places of business; and
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31 WHEREAS, as of February 2024, the death toll from the
32 wildfires comprised one hundred one lives, while two individuals
33 remain missing; and
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1 WHEREAS, the Department of Business, Economic Development,
2 and Tourism's third quarter 2023 report estimated lost business
3 revenue as a result of the August 2023 Maui wildfires at
4 \$2,700,000 per day; and

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6 WHEREAS, property damage from the August 2023 Maui
7 wildfires was initially estimated at \$6,000,000,000; and

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9 WHEREAS, the August 2023 Maui wildfires not only resulted
10 in one of the worst natural disasters in the State's history,
11 but is also considered the fifth deadliest wildfire in United
12 States history; and

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14 WHEREAS, efforts to reconstruct Lahaina are projected to
15 take anywhere from five to ten years; and

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17 WHEREAS, in the aftermath of the August 2023 Maui
18 wildfires, thousands of Lahaina residents continue to struggle
19 with securing funds to rebuild homes, find affordable housing,
20 and purchase everyday essential items while recovering from the
21 health, environmental, educational, and economic impacts of the
22 wildfires; and

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24 WHEREAS, significant issues have emerged including delayed
25 or denied insurance claims, concurrent mortgage payments on
26 destroyed homes, and rent for temporary housing, creating
27 uncertainty for many residents of Lahaina that need immediate
28 relief to rebuild their lives, homes, and businesses in the
29 recovery process; and

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31 WHEREAS, the August 2023 Maui wildfires are changing the
32 way insurers view Hawaii's wildfire risk, much like how
33 Hurricane Iniki in 1992 affected the coverage of new hurricane
34 insurance policies in the State; and

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36 WHEREAS, due to the results of climate change and the
37 likelihood of extreme weather events in the future, wildfires
38 have become a significant and growing hazard across the State;
39 and

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41 WHEREAS, the increased risk of property damage stemming
42 from wildfires may lead insurers to raise rates, refuse to



1 provide coverage for certain losses or certain high-risk areas
2 of the State, reduce their policy-count, or pull out of the
3 insurance market in the State altogether; and

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5 WHEREAS, it is in the public interest to ensure the
6 accessibility and availability of adequate insurance coverage of
7 future losses from wildfires for the welfare and safety of
8 residents in the State; now, therefore,

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10 BE IT RESOLVED by the Senate of the Thirty-second
11 Legislature of the State of Hawaii, Regular Session of 2024,
12 that the Insurance Commissioner is requested to conduct a
13 comprehensive study on wildfire risk and insurance, including
14 market-based approaches; and

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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
19 insurance, including any proposed legislation, to the
20 Legislature no later than twenty days prior to the convening of
21 the Regular Session of 2025; and

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23 BE IT FURTHER RESOLVED that a certified copy of this
24 Resolution be transmitted to the Insurance Commissioner.

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OFFERED BY:

