

Honolulu, Hawaii

APR 02 2025

RE: S.C.R. No. 57
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 57 entitled:

"SENATE CONCURRENT RESOLUTION URGING THE CONGRESS OF THE UNITED STATES TO ENACT A NATIONAL REINSURANCE PROGRAM TO ADDRESS THE MULTI-STATE INSURANCE CRISIS RESULTING FROM CATASTROPHIC NATURAL DISASTERS,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Congress of the United States to enact a national reinsurance program to address the multi-state insurance crisis resulting from catastrophic natural disasters.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that major private insurance and reinsurance providers have been withdrawing from the insurance markets in high-risk areas, resulting in a reduction of available coverage and skyrocketing premiums. Your Committee also finds that states have sought to address this issue by establishing nonprofit insurers of last resort, such as California's FAIR Plan, Florida's Citizens Property Insurance Corporation, and the Hawaii Property Insurance Association. These state-established insurers of last resort have been burdened with a disproportionate share of catastrophic risk in the market and are now facing solvency



issues. Your Committee further finds that a national reinsurance program could be better suited to provide stability in disaster-prone areas, increase insurance availability, mitigate premium volatility issues, and protect state-instituted insurance funds by covering only the most extreme catastrophic losses. This measure urges Congress to establish a national reinsurance program to help stabilize the insurance markets, promote economic security and disaster preparedness, and reduce the need for post-disaster federal aid.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 57, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



