



Environmental Caucus of The Democratic Party of Hawai'i

April 15, 2025

Testimony in Support of SCR57, SD1 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

To: Chair Scot Z. Matayoshi, Vice Chair Cory M. Chun, and Members of the Committee on Consumer Protection & Commerce

Date: Wednesday, April 16, 2025 **Time:** 2:00 p.m. **Place:** Conference Room 430 & via videoconference

From: Environmental Caucus of the Democratic Party of Hawai'i

Aloha Chair Matayoshi, Vice Chair Chun, and Members of the Committee,

The Environmental Caucus of the Democratic Party of Hawai'i strongly supports SCR57, SD1, which urges the Congress of the United States to enact a national reinsurance program to address the multi-state insurance crisis resulting from catastrophic natural disasters. This resolution is a vital step toward ensuring stability in insurance markets and protecting communities affected by increasingly severe natural disasters.

Arguments in Support:

- **Increasing Frequency of Natural Disasters:** Climate change has led to a rise in catastrophic events such as hurricanes, wildfires, floods, and earthquakes. These disasters cause billions of dollars in insured losses and destabilize state insurance markets across the country.
- **Insurance Market Instability:** Major private insurers and reinsurers are withdrawing from high-risk areas, leaving homeowners, businesses, and agricultural producers struggling to secure adequate coverage at reasonable rates. A national reinsurance program would provide much-needed stability.
- **Support for State-Established Insurers:** State-established insurers of last resort, such as Hawai'i's Property Insurance Association, often bear a disproportionate share of catastrophic risk. A federal reinsurance program would protect these entities by covering extreme losses and ensuring their solvency.

- **Economic Resilience:** A national reinsurance program would reduce premium volatility, increase insurance availability, and safeguard state-instituted insurance funds, benefiting both insurers and policyholders.
- **Federal Support for Extreme Losses:** By operating at defined loss thresholds, a federal reinsurance program would ensure that private insurers and reinsurers continue to bear primary responsibility, with federal intervention reserved for severe financial strain.
- **Flexibility for States:** The program could be structured on an opt-in basis, allowing state insurance regulators to decide whether participation would benefit their respective markets.

For these reasons, we urge the Committee to pass SCR57, SD1 and advocate for a national reinsurance program that addresses the insurance crisis caused by catastrophic natural disasters. This resolution represents a proactive approach to protecting communities and ensuring the long-term stability of insurance markets.

Mahalo for the opportunity to testify in support of this resolution.

Respectfully submitted,

Melodie Aduja and Alan Burdick

Co-chairs, Environmental Caucus of the Democratic Party of Hawai'i

SCR-57-SD-1

Submitted on: 4/14/2025 5:50:24 PM

Testimony for CPC on 4/16/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Donna Mae Buscemi	Individual	Support	Written Testimony Only

Comments:

Good Day All,

In the interest of providing housing security the availability of insurance must be dealt with. I urge you to move toward enacting a national reinsurance program to address the insurance crisis resulting from catastrophic natural disasters.

Sincerely,

Donna Buscemi

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SCR-57-SD-1

Submitted on: 4/15/2025 3:54:12 PM

Testimony for CPC on 4/16/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeff Sadino	Individual	Support	Written Testimony Only

Comments:

Please pass this Resolution.