



March 28, 2006

The Honorable David y. Ige, Chair
Senate Committee on Intergovernmental Affairs
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: SCR 217 / SR 147 Requesting the Counties to Adopt an Ordinance to Participate in the National Flood Insurance Program Community Rating System to Obtain Monetary Discounts in Purchasing Flood Insurance

Aloha Chair Ige, Vice-Chair Kim, and Members of the Committee:

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On behalf of our 9,400 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **strongly supports SCR 217 and SR 147.**

The members of HAR have worked with the National Association REALTORS® supporting flood insurance reform for many years. We share everyone's concern for claims that are repeatedly paid on the same properties over and over again. The Community Rating System is a part of this much needed reform.

Allow us to provide some background of Hawaii's current experience with the Community Rating System. Maui County spent approximately half a million dollars and three years conducting the shoreline work/research that is necessary to responsibly create the ordinances then qualify a community for this preferential treatment.

At a DLNR workshop last Thursday, the UH Professor that headed this project for Maui County reported that flood insurance premiums in Maui county have collectively gone down \$440,000 in the first year. He went on to explain that Kauai & Honolulu Counties have bills before their county councils or budget planners to start the financial planning to pay for the work that must be done prior to any ordinances being passed.

Hawaii County is looking at this issue but due to the size of the island as well as the depth of the coastline. it is a very expensive endeavor.

While we support the state encouraging the counties to adopt the necessary ordinances to participate in the National Flood Insurance Program's Community Rating System to obtain monetary discounts in purchasing flood insurance, we see this as a responsible opportunity for the state to assist the counties with paying for the upfront field work, especially Hawaii County.

Mahalo for the opportunity to testify.

Sincerely,

Mary Begier, Chair
Subcommittee on Business
HAR Legislative Committee

