

Chronological: Subcommittee on VA-HUD re. FEMA, 1993-01-27

Senator Daniel K. Inouye Papers

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STATEMENT BY

SENATOR DANIEL K. INOUE

January 27, 1993

Federal Emergency Management Agency

Madame Chair and Members of the
Subcommittee:

Thank you for the opportunity to
participate in this timely hearing on
the Federal Emergency Management
Agency (FEMA),

and the changes needed to improve
FEMA's response to catastrophic
disasters.

The recent disasters in Florida, Louisiana, California, and Hawaii have drawn various opinions on the effectiveness of FEMA, and its role in providing disaster relief assistance.

In the case of Hawaii, extraordinary efforts were made by all concerned federal agencies to cut through the "red tape" and minimize bureaucratic requirements in their work at

speeding disaster relief
assistance and services to the
citizens and state and county
governments affected by Hurricane
Iniki. I realize that this was not
the case for Florida and Louisiana.

One critical problem facing
State of Hawaii as a result of
Hurricane Iniki is the availability
of homeowner's insurance.

Hurricane Iniki has caused the
insolvency of one of the state's
largest domestic insurance companies;
at least six others have indicated
they will not renew policies
beginning in February.

This represents a substantial portion of the Hawaiian market and the repercussions to the local economy are already evident.

I am told by the State Insurance
Commissioner that it is nearly
impossible to obtain a new
homeowner's insurance policy in
Hawaii at this time. The problem in
Hawaii is the same problem that
confronts Florida. As bad as

Hurricanes Iniki and Andrew were, they could have been much, much worse. Had Iniki hit Honolulu or Andrew struck closer to Miami, the death and destruction could have been five times as great.

States cannot shoulder this burden
alone. Local governments cannot
shoulder this burden alone.

Insurance companies cannot shoulder
this burden alone.

In the last Congress, I proposed legislation dealing with the problem of catastrophic insurance coverage for earthquakes and volcanos.

In the wake of Hurricane Iniki, it has become clear that the same dangers I warned against for those perils are equally relevant to hurricanes.

Therefore, in the weeks ahead, I plan to reintroduce my legislation, with modifications. The new legislation would create a federal reinsurance program against catastrophic hurricanes, earthquakes and volcanoes,

and would require effective mitigation programs in relevant areas so that when disasters do occur, death, injuries, and damage to property are kept to an absolute minimum.