

SENATE BILL REPORT

SB 6036

As Reported by Senate Committee On:
Financial Institutions & Insurance, January 11, 2018

Title: An act relating to the creation of a work group to study and make recommendations on natural disaster mitigation and resiliency activities.

Brief Description: Concerning the creation of a work group to study and make recommendations on natural disaster mitigation and resiliency activities.

Sponsors: Senators Mullet, Carlyle, Zeiger, Van De Wege, Hunt, Chase, Saldaña and Kuderer; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/09/18, 1/11/18 [DPS-WM, w/oRec].

Brief Summary of First Substitute Bill

- Establishes a working group on Natural Disaster and Resiliency Activities (Working Group) to be chaired by the Office of the Insurance Commissioner (OIC).
- Directs the Working Group to review current disaster mitigation and resiliency activities and make recommendations regarding the establishment of an ongoing disaster resiliency program by December 1, 2018.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: That Substitute Senate Bill No. 6036 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Angel, Ranking Member; Fortunato and Kuderer.

Minority Report: That it be referred without recommendation.

Signed by Senator Baumgartner.

Staff: Jeff Olsen (786-7428)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: The Washington Military Department, under the direction of the adjutant general, administers the state's comprehensive program of emergency management. The adjutant general is responsible for developing a comprehensive, all-hazard emergency plan for the state that includes an analysis of natural, technological, or human-caused hazards, and procedures to coordinate local and state resources in their response. The Washington Emergency Management Division's mission is to minimize the impact of emergencies and disasters on the people, property, environment, and economy of Washington.

On November 4th, 2016, the Governor issued a directive on preparedness and response to earthquakes and tsunamis in Washington. In January of 2017 the Resilient Washington Subcabinet was convened to help Washington State better prepare for natural disasters, including earthquakes, tsunamis, wildfires, drought, storms, and flooding. The subcabinet has been directed to:

- identify data and information gaps that hinder preparedness and response plans;
- identify data and information to help guide a strategic public education campaign centered on personal preparedness;
- develop potential actions that can be coordinated across state agencies, local jurisdictions and federal partners to reduce risk and improve response in the event of an earthquake or tsunami; and
- identify, prioritize and estimate costs for state actions that will improve public safety and earthquake preparedness and response.

Members of the subcabinet include the Washington Military Department, Office of the Governor, Washington Department of Transportation, Washington Department of Enterprise Services, Washington Department of Commerce, Washington Department of Health, Utilities and Transportation Commission, Washington Department of Social and Health Services, Lt. Governor's Office, Department of Natural Resources, The Office of the Superintendent of Public Instruction, and the Office of the Insurance Commissioner.

Summary of Bill (First Substitute): A working group to study and make recommendations on natural disaster and resiliency activities is created. The working group membership includes:

- the Insurance Commissioner or a designee, who shall be the chair of the working group;
- one member from each of the four major caucuses of the Legislature;
- a representative from the Governor's Resilient Washington work group;
- a representative from the Washington State Association of Counties;
- a representative from the Association of Washington Cities;
- a representative from the State Building Code Council;
- the supervisor of the Department of Natural Resources or a designee;
- the Director of the Washington State Military Department or a designee;
- two representative from the property and casualty insurance industry;
- the Director of the Department of Ecology or a designee;
- the Superintendent of Public Instruction or a designee;
- a representative from the Washington Association of Building Officials; and
- the Director of Commerce or a designee.

The working group must review disaster mitigation and resiliency activities being done by federal agencies, other states, and public and private entities in Washington. In addition, the working group must review information on the use of disaster-related insurance, how other states are coordinating disaster mitigation and resiliency work, and the work of entities such as the California earthquake authority.

The working group must make recommendations on:

- the creation of an ongoing disaster resiliency program;
- the activities the disaster resiliency program should engage in;
- how the program should coordinate with other entities; and
- where to establish the program and how it would be funded.

The working group must make their recommendations to the OIC and the Legislature by December 1, 2018.

EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE (First Substitute): Adds five additional members to the working group on natural disaster and resiliency activities including an additional representative from the insurance industry, the Director of Ecology, the Superintendent of Public Instruction, a representative from the Washington Association of Building Officials, and the Director of Commerce. Directs the working group to review how other states fund their risk mitigation activities and programs and adds that the working group may invite other agencies and stakeholders to participate in the process.

Appropriation: None.

Fiscal Note: Requested on January 8, 2018.

Creates Committee/Commission/Task Force that includes Legislative members: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The United States has recently experienced several large, disruptive natural disasters that have had severe impacts. The Resilient Washington Subcabinet has recently conducted work regarding mitigation Washington could do to better prepare for a natural disaster, and that work should be continued. The working group would benefit from having expertise from the insurance industry, building officials, and the Office of the Superintendent for Public Instruction. The working group will be recommending whether Washington should develop an ongoing program for natural disaster mitigation and resiliency. Oregon has recently invested millions in seismic retrofits for schools and facilities for first responders.

Persons Testifying: PRO: Lonnie Johns-Brown, Washington Office of the Insurance Commissioner; Jason Marquiss, Deputy Director, Washington Military Department Emergency Management Division; Mel Sorensen, Property Casualty Insurers Association of America; Randy Newman, Interim Director, OSPI School Facilities and Organization; Jean

Leonard, State Farm; WA Insurers, NAMIC; Amy Brackenbury, Washington Association of Building Officials.

Persons Signed In To Testify But Not Testifying: No one.