

# SENATE BILL REPORT

## SB 5106

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As Reported by Senate Committee On:  
Financial Institutions, Economic Development & Trade, January 17, 2019

**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 Das, Mullet, Frockt, Keiser, Zeiger and Kuderer; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Financial Institutions, Economic Development & Trade: 1/15/19, 1/17/19 [DPS].

**Brief Summary of First Substitute Bill**

- Creates a work group, chaired by the Office of the Insurance Commissioner, to study and make recommendations on natural disaster and resiliency activities.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** That Substitute Senate Bill No. 5106 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Wilson, L., Ranking Member; Braun, Das and Hobbs.

**Staff:** Kellee Gunn (786-7429)

**Background:** Washington State is prone to natural disasters such as earthquakes, floods, landslides, and wildfires.

The Office of the Insurance Commissioner (OIC) oversees Washington State's insurance industry and regulates insurance companies, agents, and brokers.

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*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.*

Resilient Washington Subcabinet. The Governor created the Resilient Washington Subcabinet (RWS), via directive, in 2016. This subcabinet, through the Washington Military Department's Emergency Management Division and in consultation with other state and local agencies, boards, commissions, and councils, has been involved with assessing Washington State's strategy on hazards posed by earthquakes and tsunamis to increase individual, family, and business preparedness. The Washington Military Department, under the direction of the adjutant general, administers the state's comprehensive program of emergency management.

**Summary of Bill (First Substitute):** A work group is created to study and make recommendations on natural disaster and resiliency activities. Specifically, the workgroup must:

- review activities by public and private entities, other states, and the federal government in regards to disaster mitigation and resiliency;
- review uptake in this state for disaster related insurance, such as flood and earthquake insurance;
- review how other states coordinate disaster mitigation, specifically the California Earthquake Authority;
- review how other states and the federal government fund disaster mitigation and resiliency activities and programs; and
- make recommendations to the Legislature and OIC.

The work group must consist of the following members:

- the insurance commissioner, or a designee, who shall serve as chair of the work group;
- one member from each of the four major caucuses of the Legislature;
- a representative from the Governor's RWS;
- 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 commissioner of the Department of Natural Resources or a designee;
- the director of the Washington State Military Department or a designee;
- the director of the Department of Ecology or a designee;
- the director of the Department of Commerce or a designee;
- a representative from the Washington Association of Building Officials;
- two representatives from the property and casualty insurance industry, to be selected by the insurance commissioner or designee, through an application process;
- a representative from public utility districts, to be selected by the State Association of Public Utility Districts;
- a representative selected by the Washington State Commission on African-American Affairs, the Washington State Commission on Hispanic Affairs, the Governor's Office of Indian Affairs, and the Washington State Commission on Asian Pacific American Affairs to represent the four commissions on the work group; and
- other state agency representatives or stakeholder group representatives, at the discretion of the work group, to participate in specific topic discussions or subcommittees.

Work group recommendations must include particular information and proposals related to the functioning of the work group and to improving Washington State's natural disaster and resiliency activities.

A preliminary report of recommendations to the Legislature, OIC, the Governor, the Office of the Superintendent of Public Instruction, and the commissioner of the Department of Natural Resources is due by November 1, 2019, with a final report due by December 1, 2020.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE COMMITTEE (First Substitute):**

- Makes a technical change to resolve a drafting error and adds representatives to the work group from the state Department of Agriculture and the State Conservation Commission.

**Appropriation:** None.

**Fiscal Note:** Available.

**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: This is OIC requested legislation. The OIC's interest in this is driven by the fact the state is increasingly experiencing natural disasters. When looking at other states, it is obvious there is more the state can do to be resilient and mitigate these disasters. Another agency and organization would like to be involved and the OIC is amenable to that. The goal is to develop a system of ongoing planning and coordination of disaster resiliency. Washington is the second most at-risk state for earthquakes and has continued to be at risk for floods, landslides, wildfires, and other natural disasters. The Department of Natural Resources and the Seismic Safety Committee supports studying and devising plans for mitigation efforts. The Military Department fully supports this bill and looks forward to involvement. This will continue the work that has occurred over the last few years through the Governor's Resilient Washington subcabinet. Due to the subcabinet's work, there is more awareness of what needs to be done in this state. The Washington Cattlemen's Association would like representatives from the Department of Agriculture and the State Conservation Commission added to this work group. They would be key in connecting cattle ranchers and the rural areas to this work.

**Persons Testifying:** PRO: Senator Mona Das, Prime Sponsor; Robert Ezelle, Washington Military Department, Emergency Management Division; Dave Norman, Department of Natural Resources; Mark Streuli, Washington Cattlemen's Association; Lonnie Johns-Brown, Office of the Insurance Commissioner; Mel Sorensen, Property Casualty Insurers Association of America.

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