

JAN 18 2007

A BILL FOR AN ACT

RELATING TO THE HAWAII HURRICANE RELIEF FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "SECTION 431P- . Refund of money.

5 (a) Any owner of eligible property as defined in section
6 431P-1 who, within ninety days after the effective date of this
7 Act, submits to the Hawaii Hurricane Relief Fund proof of
8 payment as defined in section 431P-1 of special mortgage
9 recording fees as established by this chapter, shall receive a
10 full refund from the hurricane reserve trust fund of those fees.

11 (b) Any owner of eligible property as defined in section
12 431P-1 who, within ninety days after the effective date of this
13 Act, submits to the Hawaii Hurricane Relief Fund proof of
14 payment as defined in section 431P-1 of the amount paid in
15 policy premiums for hurricane insurance coverage issued by the
16 Hawaii Hurricane Relief Fund, either directly or through a



1 servicing carrier, shall receive a pro-rated refund from the
2 hurricane reserve trust fund of those premiums paid.

3 (c) The pro-rata percentage in subsection (b) of this
4 section shall be calculated as provided in this section. After
5 the ninety day deadline for submitting refund claims has
6 expired, and all valid claims under subsection (a) of this
7 section have been paid, the accumulated total net income left in
8 the hurricane reserve trust fund, less one million dollars
9 (\$1,000,000), shall be distributed among the claimants as
10 follows: if the funds available for distribution are
11 sufficient, all persons with valid claims under subsection (b)
12 shall be refunded the total amount claimed under subsection (b)
13 for which proof of payment is provided. If sufficient funds are
14 not available to refund all claimants in full, each claimant
15 shall be assigned a percentage equal to the amount of policy
16 premiums for which that claimant has provided proof of payment
17 under subsection (b), divided by the total sum of policy
18 premiums for which proof of payment has been provided by all
19 claimants under subsection (b). Each claimant shall then be
20 refunded that claimant's assigned percentage of the total funds
21 available for distribution under this subsection.



1 (d) Refunds under this section shall be issued no later
2 than sixty days after the ninety-day deadline for submission of
3 claims established in subsections (a) and (b) of this section.
4 Any refund to which a property owner is entitled under this
5 section, and which is not paid by the date required by this
6 subsection, shall accrue interest on the amount unpaid at a rate
7 equal to the prime rate for each calendar quarter plus two per
8 cent, but in no event exceeding twelve per cent a year, until it
9 is paid. As used in this subsection, "prime rate" means the
10 prime rate as posted in the Wall Street Journal on the first
11 business day of the month preceding the calendar quarter."

12 SECTION 2. Section 431P-1, Hawaii Revised Statutes, is
13 amended by adding a new definition to be appropriately inserted
14 and to read as follows:

15 "Proof of payment" includes any one of the following:

16 (1) A copy of the owner of eligible property's mortgage
17 closing statement showing the amount paid for a special mortgage
18 recording fee;

19 (2) A copy of the page(s) from the owner of eligible
20 property's homeowner's policy packets showing the coverage
21 limits, deductible, servicing carrier, and policy premiums for



1 the Hawaii Hurricane Relief Fund issued hurricane insurance, for
2 each year the policy was in force;

3 (3) A copy of a cancelled check for special mortgage
4 recording fees paid;

5 (4) A copy of a cancelled check for policy premiums paid
6 for hurricane insurance issued by the Hawaii Hurricane Relief
7 Fund;

8 (5) Records from a financial institution proving payment by
9 an owner of eligible property of special mortgage recording fees
10 or of policy premiums for hurricane insurance issued by the
11 Hawaii Hurricane Relief Fund;

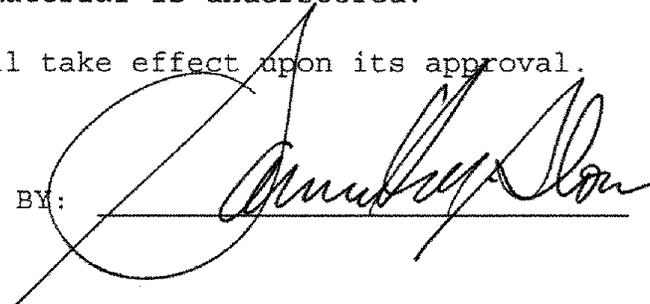
12 (6) Any other proof satisfactory to the officers of the
13 Hawaii Hurricane Relief Fund that an owner of eligible property
14 paid special mortgage recording fees, or policy premiums for
15 hurricane insurance issued by the Hawaii Hurricane Relief Fund."

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.

19

INTRODUCED BY: _____



S.B. NO. **714**

Report Title:

Hawaii Hurricane Relief Fund

Description:

Refunds to property owners all but \$1,000,000 from the hurricane reserve trust fund.

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