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# A BILL FOR AN ACT

RELATING TO HURRICANE PREPAREDNESS.

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

1       SECTION 1. The legislature finds that Hawaii is  
2       susceptible to property loss due to hurricanes, tropical storms,  
3       and strong winds. The best long-term solution to reducing  
4       potential damage is the statewide use of wind resistive devices.  
5       The legislature also finds that residents in this State must  
6       inspect, repair, and reinforce their residences every year to  
7       prepare for the possibility of a hurricane making landfall. The  
8       inspection, repair, and reinforcement of residences consume  
9       needed resources from homeowners' budgets but result in  
10      homeowners having more hurricane-resistant residences. This, in  
11      turn, contributes to reduced hurricane damage repair costs and  
12      may qualify homeowners for much-needed hurricane insurance  
13      premium credits.

14      The legislature desires to establish a program to provide  
15      grants to certain property owners for the installation of wind  
16      resistive devices, approved by the insurance commissioner, that  
17      will lessen the severity of property loss from strong winds.



1       The legislature finds that the program will serve a public  
2   purpose by protecting the health, safety, and welfare of Hawaii  
3   residents. The installation of wind resistive devices will help  
4   reduce the incidence and severity of personal injury and  
5   property damage in the event of a hurricane, thereby preserving  
6   human life and property values and minimizing disruptions to the  
7   State's economy, business activity, and delivery of public  
8   services. The program will also serve the public purpose of  
9   stimulating economic growth and activity in the State by  
10   creating business and employment opportunities for the sale and  
11   installation of wind resistive devices.

12       The legislature finds that the hurricane reserve trust fund  
13   was part of a "new, creative, and flexible" mechanism to provide  
14   hurricane insurance to Hawaii residents in the aftermath of  
15   Hurricane Iniki. See Act 339, Session Laws of Hawaii 1993.  
16   After its inception, the fund helped stabilize Hawaii's weak  
17   hurricane insurance market, yielded the hurricane insurance  
18   market to the private sector, and entered a state of dormancy  
19   ready to be reactivated when needed.

20       The legislature also finds that the fund has assets that  
21   currently generate approximately \$3,000,000 dollars annually in



1 interest, which is deposited into the general fund and subject  
2 to appropriations by the legislature.

3 The purpose of this Act is to:

4 (1) Continue to develop new, creative, and flexible  
5 mechanisms that will increase hurricane preparedness  
6 in Hawaii;

7 (2) Allocate a portion of the moneys earned through  
8 interest from the fund's assets to provide grants  
9 under a safe home program; and

10 (3) Financially assist qualified homeowners with the  
11 installation of approved wind resistive devices for  
12 hurricane preparedness of their homes.

13 SECTION 2. Chapter 431P, Hawaii Revised Statutes, is  
14 amended by adding a new part to be appropriately designated and  
15 to read as follows:

16 "PART . SAFE HOME PROGRAM

17 §431P-A Definitions. As used in this part:

18 "Mitigation" means actions undertaken to reduce losses that  
19 may result from a hazard.

20 "Wind resistive devices" means devices and techniques, as  
21 identified and determined in accordance with section 431P-F(b),



1 that increase a building's or structure's resistance to damage  
2 from wind forces.

3       **§431P-B Establishment of safe home program.** (a) The  
4 commissioner shall develop and implement a program to be  
5 designated as the safe home program and to encourage the  
6 installation of wind resistive devices. The program may award  
7 matching or nonmatching grants to eligible applicants based upon  
8 the availability of funds.

9       (b) This part does not create an entitlement for property  
10 owners or obligate the State in any way to fund the inspection  
11 or retrofitting of residential property in the State.

12       **§431P-C Safe home program trust fund.** (a) There is  
13 established a fund to be designated as the safe home program  
14 trust fund. Moneys transferred to the safe home program trust  
15 fund may be expended by the commissioner to carry out the  
16 commissioner's duties and obligations under this part.

17       (b) The safe home program trust fund may be used by the  
18 commissioner to make grants authorized under this part.  
19 Matching and nonmatching grants awarded under section 431P-E  
20 from the safe home program trust fund shall not be subject to  
21 chapters 42F, 91, 103D, or 103F.



1 (c) The safe home program trust fund may also be used by  
2 the commissioner to pay for any administrative, personnel,  
3 operational, and marketing costs associated with the program.

4 (d) Upon termination of the safe home program, any  
5 balances in the safe home program trust fund shall revert to the  
6 general fund.

7 **§431P-D Eligibility for safe home program.** To be eligible  
8 for the program, a residential property shall be:

9 (1) The applicant's primary legal residence;

10 (2) Owned and occupied by the applicant;

11 (3) A single-family residential property; and

12 (4) A residential property covered by a current homeowners  
13 or dwelling insurance policy that:

14 (A) Is issued by an insurer licensed in the State or  
15 a surplus lines insurer, for a policy that is  
16 lawfully placed by a broker authorized to do  
17 business in the State; and

18 (B) Provides insurance coverage of the residential  
19 property equal to or greater than the fair market  
20 value of the residential property.



1       **§431P-E Matching and nonmatching grants.** (a) The  
2 commissioner may award matching or nonmatching grants based upon  
3 the availability of funds.

4       (b) To be eligible for a nonmatching grant award, the  
5 applicant shall have an annual adjusted gross household income  
6 that does not exceed eighty per cent of the median annual  
7 adjusted gross income for households within the county in which  
8 the applicant resides, as determined by the applicant's most  
9 recent federal income tax return. The nonmatching grant award  
10 shall not exceed \$6,500.

11       (c) An applicant having an annual adjusted gross household  
12 income that exceeds eighty per cent of the median annual  
13 adjusted gross income for households within the county in which  
14 the applicant resides, as determined by the applicant's most  
15 recent federal income tax return, may be eligible for a matching  
16 grant award. The matching grant award shall not exceed \$5,200  
17 and shall be matched on a dollar-for-dollar basis by the  
18 applicant.

19       (d) The commissioner shall issue an annual bulletin that  
20 sets forth the maximum grant award amounts based on the total  
21 annual adjusted gross household income of the applicant and



1 adjusted for the applicant's family size relative to the county  
2 area median income or the state median family income, whichever  
3 is higher, as published annually by the United States Department  
4 of Housing and Urban Development.

5 (e) No grant issued by the safe home program shall exceed  
6 a total of \$5,200 for matching grants or a total of \$6,500 for  
7 nonmatching grants. Any cost of the mitigation project that  
8 exceeds the amount of the grant award shall be the  
9 responsibility of the applicant.

10 **§431P-F Standards for the award of grants.** (a) Subject  
11 to the availability of funds and the standards in this part,  
12 grants for wind resistive devices shall be awarded by the  
13 commissioner:

14 (1) On a first-come, first-served basis, as determined by  
15 the commissioner; and

16 (2) For a wind resistive device or devices installed only  
17 in a single-family residential dwelling.

18 (b) Grants shall be awarded for the installation of the  
19 following:

20 (1) Roof deck attachment;

21 (2) Secondary water barrier;



- 1 (3) Roof covering;
- 2 (4) Brace gable ends;
- 3 (5) Reinforced roof-to-wall connections;
- 4 (6) Opening protection;
- 5 (7) Exterior doors, including garage doors;
- 6 (8) Tie downs;
- 7 (9) Improvements that mitigate problems associated with
- 8 weakened trusses, studs, and other structural
- 9 components; and
- 10 (10) Any other wind resistive devices approved by the
- 11 commissioner.

12 The commissioner, in the commissioner's sole discretion, may  
13 amend, narrow, or expand by rule the definitions, descriptions,  
14 specifications, and requirements of the wind resistive devices.

15 (c) In addition, a grant may be made to an applicant only  
16 if the applicant has:

- 17 (1) Undergone an acceptable wind certification and
- 18 hurricane mitigation inspection in accordance with the
- 19 program requirements;





- 1           (2)   Filed a completed application form, as determined  
2               solely by the commissioner, together with all  
3               supporting documentation required by the commissioner;  
4           (3)   Installed the wind resistive device or devices in  
5               accordance with the program requirements;  
6           (4)   Provided any other information deemed necessary by the  
7               commissioner; and  
8           (5)   Met all additional requirements needed to comply with  
9               the safe home program as determined by the  
10           commissioner.

11           **§431P-G Annual report.** The commissioner shall prepare an  
12 annual report to the director, governor, and legislature on the  
13 use of the safe home program trust fund. The report shall  
14 provide statistical information on safe home program  
15 participation. The report shall be submitted to the director,  
16 governor, and legislature no later than twenty days prior to the  
17 convening of each regular legislative session.

18           **§431P-H Rules.** The commissioner, in accordance with  
19 chapter 91, may adopt rules as are necessary or proper to carry  
20 out the purposes of this part."



1       SECTION 3. Section 431P-16, Hawaii Revised Statutes, is  
2 amended by amending subsection (i) to read as follows:

3       "(i) Moneys in the hurricane reserve trust fund may be  
4 disbursed upon dissolution of the Hawaii hurricane relief fund;  
5 provided that:

6       (1) The net moneys in the hurricane reserve trust fund  
7 shall revert to the general fund after payments by the  
8 fund on behalf of licensed property and casualty  
9 insurers or the State that are required to be made  
10 pursuant to any federal disaster insurance program  
11 enacted to provide insurance or reinsurance for  
12 hurricane risks are completed; and

13       (2) If such moneys are paid on behalf of licensed property  
14 and casualty insurers, payment shall be made in  
15 proportion to the premiums from policies of hurricane  
16 property insurance serviced by the insurers in the  
17 twelve months prior to dissolution of the fund;

18 provided that ~~[all]~~ interest earned from the principal in the  
19 hurricane reserve trust fund shall be transferred and deposited  
20 ~~[into the general fund each year that the hurricane reserve~~  
21 ~~trust fund remains in existence.]~~ in the following manner: for



1 fiscal year 2020-2021, the first \$1,000,000 in interest shall be  
2 deposited into the safe home program trust fund established .  
3 pursuant to section 431P-C; and the remaining interest balance  
4 for fiscal year 2020-2021 and each year thereafter shall be  
5 deposited into the general fund for each year that the hurricane  
6 reserve trust fund remains in existence."

7 SECTION 4. Section 431P-16.5, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "§431P-16.5 Immunity. There shall be no cause of action,  
10 claim for damages or relief, charge, or any other liability [ef  
11 ~~any kind whatsoever~~] created against the State, the Hawaii  
12 hurricane relief fund, the commissioner, or their respective  
13 agents, employees, or board, by[7] or relating to the loss  
14 mitigation grant program[7] or the safe home program."

15 SECTION 5. There is appropriated out of the hurricane  
16 reserve trust fund the sum of \$ or so much thereof as  
17 may be necessary for fiscal year 2020-2021 for the purposes of  
18 funding the safe home program trust fund established under  
19 section 2 of this Act.

20 The sum appropriated shall be expended by the department of  
21 commerce and consumer affairs for the purposes of this Act.



1       SECTION 6. There is appropriated out of the safe home  
2 program trust fund the sum of \$                   or so much thereof as  
3 may be necessary for fiscal year 2020-2021 for purposes of the:

4       (1) Establishment and implementation of the safe home  
5 program established under this Act; and

6       (2) Establishment of one temporary full-time equivalent  
7 (1.0 FTE) position, not subject to chapter 76, Hawaii  
8 Revised Statutes, within the insurance division of the  
9 department of commerce and consumer affairs to  
10 implement and administer the safe home program.

11       The sum appropriated shall be expended by the department of  
12 commerce and consumer affairs for the purposes of this Act.

13       SECTION 7. In codifying the new sections added to chapter  
14 431P, Hawaii Revised Statutes, by section 2 of this Act, the  
15 revisor of statutes shall substitute appropriate section numbers  
16 for the letters used in designating and referring to the new  
17 sections in this Act.

18       SECTION 8. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20       SECTION 9. This Act shall take effect on July 1, 2050.



**Report Title:**

Insurance; Safe Home Program; Safe Home Program Trust Fund;  
Grant; Hurricane; Wind Mitigation; Hawaii Hurricane Relief Fund;  
General Fund; Appropriation

**Description:**

Establishes the Safe Home Program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential property owners upon certain circumstances. Creates one temporary position within the Insurance Division of the Department of Commerce and Consumer Affairs to implement and administer the Safe Home Program. Appropriates funds. Effective 7/1/2050. (SD2)

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