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

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

20 The legislature also finds that the hurricane reserve trust
21 fund has assets that currently generate approximately \$3,000,000



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

3 The purpose of this Act is to:

4 (1) Develop a new, creative, and flexible mechanism that
5 will increase hurricane preparedness in Hawaii through
6 a grant program;

7 (2) Financially assist qualified homeowners with the
8 installation of approved wind resistive devices for
9 hurricane preparedness of their homes; and

10 (3) Allocate a portion of the moneys earned through
11 interest from the hurricane reserve trust fund's
12 assets to provide grants under a safe home program.

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 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 shall 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 chapter 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 safe home
4 program.

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

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

- 10 (1) The applicant's primary legal residence;
- 11 (2) Owned and occupied by the applicant;
- 12 (3) A single-family, owner-occupied residential property;
- 13 and
- 14 (4) A residential property covered by a current homeowners
15 or dwelling insurance policy that:
- 16 (A) Is issued by an insurer licensed in the State or
17 a surplus lines insurer, and is lawfully placed
18 by a broker authorized to do business in the
19 State; and



1 (B) Provides insurance coverage of the residential
2 property equal to or greater than the fair market
3 value of the residential property.

4 **§431P-E Matching and nonmatching grants.** (a) The
5 commissioner may award matching or nonmatching grants based upon
6 the availability of funds.

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

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



1 (d) The commissioner shall issue an annual bulletin that
2 sets forth the maximum grant award amounts based on the total
3 annual adjusted gross household income of the applicant and
4 adjusted for the applicant's family size relative to the county
5 area median income or the state median family income, whichever
6 is higher, as published annually by the United States Department
7 of Housing and Urban Development.

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

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

- 17 (1) On a first-come, first-served basis, as determined by
18 the commissioner; and
19 (2) For a wind resistive device or devices installed only
20 in a single-family residential dwelling.



1 (b) Grants shall be awarded for the installation of the
2 following:

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

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

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

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

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



1 **§431P-H Rules.** The commissioner may adopt rules pursuant
2 to chapter 91 as are necessary or proper to carry out the
3 purposes of this part."

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

6 "(i) Moneys in the hurricane reserve trust fund may be
7 disbursed upon dissolution of the Hawaii hurricane relief fund;
8 provided that:

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

16 (2) If [~~such~~] the moneys are paid on behalf of licensed
17 property and casualty insurers, payment shall be made
18 in proportion to the premiums from policies of
19 hurricane property insurance serviced by the insurers
20 in the twelve months [~~prior to~~] before dissolution of
21 the fund;



1 provided that [~~all~~] interest earned from the principal in the
 2 hurricane reserve trust fund shall be transferred and deposited
 3 into the general fund each year that the hurricane reserve trust
 4 fund remains in existence[~~-~~]; provided further that, for fiscal
 5 year 2021-2022, the first \$2,000,000 in interest shall be
 6 deposited into the safe home program trust fund established
 7 pursuant to section 431P-C."

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

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

16 SECTION 5. There is appropriated out of the hurricane
 17 reserve trust fund the sum of \$ _____ or so much thereof as
 18 may be necessary for fiscal year 2021-2022 for the purposes of
 19 funding the safe home program trust fund established under
 20 section 2 of this Act.



Report Title:

Safe Home Program; Trust Fund; Grant; Wind Resistive Devices;
Hawaii Hurricane Relief Fund; DCCA; Appropriations

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. Allocates a portion of the moneys earned through interest from the hurricane reserve trust fund for grants under the safe home program. Creates a temporary position within the insurance division of DCCA to implement and administer the safe home program. Appropriates funds. Effective 1/1/2050. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

