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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 for 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 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. See Act 339, Session Laws of  
16 Hawaii 1993. After its inception, the fund helped stabilize  
17 Hawaii's weak hurricane insurance market, yielded the hurricane  
18 insurance market to the private sector, and entered a state of  
19 dormancy ready to be reactivated when needed.

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



1 dollars annually in interest, which is deposited into the  
2 general fund 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;
- 6 (2) Allocate a portion of the moneys earned through
- 7 interest from the fund's assets to provide grants
- 8 under a safe home program; and
- 9 (3) Financially assist qualified homeowners with the
- 10 installation of approved wind resistive devices for
- 11 hurricane preparedness of their homes.

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

15 "PART . SAFE HOME PROGRAM

16 §431P-A Definitions. As used in this part:

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

19 "Wind resistive devices" means devices and techniques, as  
20 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 to applicants under  
20 section 431P-E from the safe home program trust fund shall not  
21 be subject to 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 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) Covered by a current homeowners or dwelling insurance  
13 policy that:

14 (A) Is issued by an insurer licensed in the State or  
15 a surplus lines insurer, and is lawfully placed  
16 by a broker authorized to do business in the  
17 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 establish, amend, narrow, or expand by rule the definitions,  
14 descriptions, specifications, and requirements of the wind  
15 resistive devices.

16           (c) A grant may be made to an applicant only if the  
17 applicant has:

- 18           (1) Undergone an acceptable wind certification and
- 19                 hurricane mitigation inspection in accordance with the
- 20                 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 that includes  
14 statistical information on program participation. The report  
15 shall be submitted to the director, governor, and legislature no  
16 later than twenty days prior to the convening of each regular  
17 legislative session.

18 **§431P-H Rules.** The commissioner, in accordance with  
19 chapter 91, may adopt rules to carry out the purposes of this  
20 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 state general fund after payments  
8 by the fund on behalf of licensed property and  
9 casualty insurers or the State that are required to be  
10 made pursuant to any federal disaster insurance  
11 program enacted to provide insurance or reinsurance  
12 for hurricane risks are completed; and

13 (2) If [~~such~~] the moneys are paid on behalf of licensed  
14 property and casualty insurers, payment shall be made  
15 in proportion to the premiums from policies of  
16 hurricane property insurance serviced by the insurers  
17 in the 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 trust  
21 fund remains in existence[~~-~~]; provided further that, for fiscal



1 year 2021-2022, the first \$2,000,000 in interest shall be  
2 deposited into the safe home program trust fund established  
3 pursuant to section 431P-C."

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

6 "**§431P-16.5 Immunity.** There shall be no cause of action,  
7 claim for damages or relief, charge, or any other liability [~~of~~  
8 ~~any kind whatsoever~~] created against the State, the Hawaii  
9 hurricane relief fund, the commissioner, or their respective  
10 agents, employees, or board, by[~~7~~] or relating to the loss  
11 mitigation grant program[~~7~~] or the safe home program."

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

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

19 SECTION 6. There is appropriated out of the safe home  
20 program trust fund the sum of \$ or so much thereof as  
21 may be necessary for fiscal year 2021-2022 for purposes of the:



- 1           (1) Establishment and implementation of the safe home
- 2                   program established under this Act; and
- 3           (2) Establishment of one temporary full-time equivalent
- 4                   (1.0 FTE) position, not subject to chapter 76, Hawaii
- 5                   Revised Statutes, within the insurance division of the
- 6                   department of commerce and consumer affairs to
- 7                   implement and administer the safe home program.

8           The sum appropriated shall be expended by the department of

9 commerce and consumer affairs for the purposes of this Act.

10           SECTION 7. In codifying the new sections added to chapter

11 431P, Hawaii Revised Statutes, by section 2 of this Act, the

12 revisor of statutes shall substitute appropriate section numbers

13 for the letters used in designating and referring to the new

14 sections in this Act.

15           SECTION 8. Statutory material to be repealed is bracketed

16 and stricken. New statutory material is underscored.

17           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; Chapter 431P; Appropriation

**Description:**

Establishes the safe home program to provide matching and nonmatching grants for installation of wind resistive devices to owners of single-family, owner-occupied, residential properties in certain circumstances. Creates 1 temporary position within the insurance division of the department of commerce and consumer affairs to implement and administer the safe home program. Effective 7/1/2050. (SD2)

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

