

ACT 151

H.B. NO. 1064

A Bill for an Act Relating to Hawaii Hurricane Relief Fund Bonds.

Be It Enacted by the Legislature of the State of Hawaii:

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

“(e) [Should] After each covered event, if the board shall determine that the moneys in the hurricane reserve trust fund, excluding moneys determined by the board to be needed to continue fund operations following that covered event, will be insufficient to pay claims and other obligations of the fund arising out of [a] that covered event, the Hawaii hurricane relief fund is authorized to levy a surcharge not to exceed seven and one-half per cent a year on premiums charged for all property and casualty insurance policies issued for risks insured in this State. These moneys may be deposited into the hurricane reserve trust fund or into trust or custodial accounts, created for the benefit of the fund’s secured parties, that are held inside or outside the hurricane reserve trust fund. The formula to calculate the amount and period of the surcharge for each covered event and the procedures and methodology for payment of claims [during periods of insufficiency of moneys for such purpose] and other obligations of the fund shall be provided in the plan of operation[.] and the surcharge may remain in effect until all claims and other obligations of the fund, including but not limited to claims financing transactions, bonds, notes, and other obligations arising out of that covered event, shall have been fully discharged. The amount and reason for any surcharge made pursuant to this subsection shall be separately stated on any billing sent to an insured. The surcharge shall not be considered premiums for any other purpose, including the computation of gross premium tax or the determination of agents’ commissions.”

SECTION 2. Act 339, Session Laws of Hawaii 1993, as amended by Act 17, Special Session Laws of Hawaii 1995, as amended by Act 222, Session Laws of Hawaii 1997, is amended by amending subsection (d) of section 10 to read as follows:

“(d) The director of finance is authorized to issue reimbursable general obligation bonds in the principal amount of \$200,000,000, or so much thereof as may be requested and deemed necessary by the commissioner for the purposes of the Hawaii hurricane relief fund, and the same sum is appropriated for each of the fiscal years [1996-1997, 1997-1998, and] 1998-1999, 1999-2000, and 2000-2001 for deposit into the hurricane reserve trust fund. The commissioner, upon the commissioner’s determination that it is advisable to transfer funds from the hurricane reserve trust fund, shall reimburse the state general fund for payment of debt service on reimbursable general obligation bonds authorized and issued under this section.”

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SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 28, 1999.)