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# A BILL FOR AN ACT

RELATING TO LOSS MITIGATION.

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

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding two new sections to article 22 to be  
3 appropriately designated and to read as follows:

4           "§431:22-A Standards for the award of grants; earthquake  
5 resistive devices. (a) Subject to the availability of funds  
6 and the standards in this article, grants for earthquake  
7 resistive devices shall be awarded by the commissioner:

- 8           (1) That reimburse thirty-five per cent of costs incurred  
9           for the earthquake resistive devices and their  
10           installation, up to a maximum total reimbursement of  
11           \$2,100 per dwelling;
- 12           (2) On a first-come, first-served basis, as determined by  
13           the commissioner; and
- 14           (3) For an earthquake resistive device or devices  
15           installed only in a single- or multi-family  
16           residential dwelling.



1        (b) Grants shall be awarded for the installation of the  
2 earthquake resistive devices that meet the description,  
3 specifications, guidelines, and requirements that shall be  
4 developed and determined by the commissioner in the  
5 commissioner's sole discretion. The commissioner, in the  
6 commissioner's sole discretion, may amend, narrow, or expand the  
7 definitions, description, specifications, and requirements of  
8 earthquake resistive devices.

9        (c) In addition, a grant may be made to an applicant only  
10 if the applicant:

- 11        (1) Has met the descriptions, specifications, guidelines,  
12 and requirements established by the commissioner for  
13 the grant program;
- 14        (2) Has filed a completed application form, as determined  
15 solely by the commissioner, together with all  
16 supporting documentation required by the commissioner;
- 17        (3) Has in the case of a building with multiple dwellings,  
18 filed together completed grant applications for all  
19 dwellings in the building, for installation of  
20 earthquake resistive devices;
- 21        (4) Has installed an earthquake resistive device or  
22 devices that meet the standards established by the



- 1           state department of defense and that have been  
2           designated and approved by the commissioner;
- 3       (5) Has fully paid, prior to applying for the grant, the  
4           cost of the earthquake resistive device or devices, as  
5           well as the installation costs for which the grant is  
6           sought. The grant shall be used to reimburse only  
7           these costs or a portion thereof;
- 8       (6) Has hired an inspector, determined by the commissioner  
9           to be qualified in accordance with the requirements of  
10          the commissioner, who has verified in writing that the  
11          installation of the earthquake resistive device or  
12          devices is complete and is in compliance with the  
13          grant program specifications, guidelines, and  
14          requirements, as determined by the commissioner;
- 15       (7) Has installed the earthquake resistive device or  
16          devices after July 1, 2008;
- 17       (8) Has provided any other information deemed necessary by  
18          the commissioner; and
- 19       (9) Has met all additional requirements needed to  
20          implement the grant program as determined by the  
21          commissioner.



1           §431:22-B Appropriations; uses. Moneys appropriated for  
2 the loss mitigation grant program may be used to pay for the  
3 costs of administering, operating, and marketing the grant  
4 program, as determined by the commissioner."

5           SECTION 2. Section 431:22-101, Hawaii Revised Statutes, is  
6 amended by adding a new definition to be appropriately inserted  
7 and to read as follows:

8           "Earthquake resistive devices" means devices and  
9 techniques as identified and determined by the commissioner, in  
10 accordance with section 431:22-A, that increase a building's or  
11 structure's resistance to damage from earthquakes and seismic  
12 forces."

13           SECTION 3. Section 431:22-103, Hawaii Revised Statutes, is  
14 amended to read as follows:

15           "~~+~~§431:22-103~~+~~ **Establishment of loss mitigation grant**  
16 **program.** (a) The commissioner shall develop and implement a  
17 pilot grant program to encourage the installation of wind and  
18 earthquake resistive devices. The commissioner may spend up to  
19 \$6,000,000 from the loss mitigation grant fund over three years  
20 for the grant program, which amounts shall include the costs of  
21 administering, operating, and marketing the grant program.



1        (b) For the first year of the grant program, the  
2 commissioner may make grants only to former policyholders of the  
3 Hawaii hurricane relief fund. From the second year onward, the  
4 commissioner may also make grants to all single or multi-family  
5 residential owners, which may include owners of townhouse units  
6 or condominium apartments under section 431:22-104(c)(3)."

7        SECTION 4. Section 431:22-104, Hawaii Revised Statutes, is  
8 amended to read as follows:

9        "**§431:22-104 Standards for the award of grants[-]; wind**  
10 **resistive devices.** (a) Subject to the availability of funds  
11 and the standards in this article, grants for wind resistive  
12 devices shall be awarded by the commissioner:

13        (1) That reimburse thirty-five per cent of costs incurred  
14 for the wind resistive devices and their installation,  
15 up to a maximum total reimbursement of \$2,100 per  
16 dwelling;

17        (2) On a first-come, first-served basis, as determined by  
18 the commissioner; and

19        (3) For a wind resistive device or devices installed only  
20 in a single or multi-family residential dwelling.

21        (b) Grants shall be awarded for the installation of the  
22 following:



- 1           (1) Uplift restraint ties at roof ridges and roof framing
- 2                   members to wall or beam supports;
- 3           (2) Additional fastening of roof sheathing and roof
- 4                   decking for high wind uplift;
- 5           (3) Impact and pressure resistant exterior opening
- 6                   protective devices;
- 7           (4) Wall to foundation uplift restraint connections
- 8                   strengthening for wood foundation posts on footings;
- 9                   and
- 10          (5) Residential safe rooms.

11 The description, specifications, guidelines, and requirements  
12 for these wind resistive devices shall be further developed and  
13 determined by the commissioner in the commissioner's sole  
14 discretion. The commissioner, in the commissioner's sole  
15 discretion, may amend, narrow, or expand the definitions,  
16 description, specifications, and requirements of the wind  
17 resistive devices.

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

- 20           (1) Has met the descriptions, specifications, guidelines,
- 21                   and requirements established by the commissioner for
- 22                   the grant program;



- 1           (2) Has filed a completed application form, as determined  
2           solely by the commissioner, together with all  
3           supporting documentation required by the commissioner;
- 4           (3) Has, in the case of a building with multiple  
5           dwellings, filed together completed grant applications  
6           for all dwellings in the building, for installation of  
7           wind resistive devices indicated in section  
8           431:22-104(b) (1), (2), and (4); provided that this  
9           requirement does not apply to section  
10          431:22-104(b) (3);
- 11          (4) Has installed a wind resistive device or devices  
12          including residential safe room designs that meet the  
13          standards established by the state department of  
14          defense and that have been designated and approved by  
15          the commissioner;
- 16          (5) Has fully paid, prior to applying for the grant, the  
17          cost of the wind resistive device or devices, as well  
18          as the installation costs for which the grant is  
19          sought. The grant shall be used to reimburse only  
20          these costs or a portion thereof;
- 21          (6) Has hired an inspector, determined by the commissioner  
22          to be qualified in accordance with the requirements of



1 the commissioner, who has verified in writing that the  
2 installation of the wind resistive device or devices  
3 is complete and is in compliance with the grant  
4 program specifications, guidelines, and requirements,  
5 as determined by the commissioner;

6 (7) Has installed the wind resistive device or devices  
7 after July 1, 2002;

8 (8) Has provided any other information deemed necessary by  
9 the commissioner; and

10 (9) Has met all additional requirements needed to  
11 implement the grant program as determined by the  
12 commissioner.

13 [~~(d) Moneys appropriated for the grant program may be used  
14 to pay for the costs of administering, operating, and marketing  
15 the grant program, as determined by the commissioner.]"~~

16 SECTION 5. The insurance commissioner, in consultation  
17 with the department of defense, shall develop criteria for  
18 earthquake resistive devices by January 1, 2009.

19 SECTION 6. There is appropriated out of the hurricane  
20 reserve trust fund of the State of Hawaii the sum of \$ or  
21 so much thereof as may be necessary for fiscal year 2008-2009  
22 for the deposit into the loss mitigation grant fund.





1           SECTION 7. There is appropriated out of the loss  
 2 mitigation grant fund of the State of Hawaii the sum of \$  
 3 or so much thereof as may be necessary for fiscal year 2008-2009  
 4 for the loss mitigation grant program established under chapter  
 5 431, article 22, Hawaii Revised Statutes.

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

8           SECTION 8. In codifying the new sections added by section  
 9 1 of this Act, the revisor of statutes shall substitute  
 10 appropriate section numbers for the letters used in designating  
 11 the new sections in this Act.

12           SECTION 9. Statutory material to be repealed is bracketed  
 13 and stricken. New statutory material is underscored.

14           SECTION 10. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

BR

JAN 23 2008



**Report Title:**

Civil Defense; Hazard; Loss Mitigation

**Description:**

Includes earthquake resistive devices in the loss mitigation grant program. Directs the insurance commissioner, in consultation with department of defense, to develop criteria for earthquake resistive devices. Appropriates moneys to the loss mitigation grant fund. Effective 07/01/08.

