
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;



- 1 (4) Has installed an earthquake resistive device or
2 devices that meet the standards established,
3 designated, and approved by the commissioner;
- 4 (5) Has fully paid, prior to applying for the grant, the
5 cost of the earthquake resistive device or devices, as
6 well as the installation costs for which the grant is
7 sought. The grant shall be used to reimburse only
8 these costs or a portion thereof;
- 9 (6) Has hired an inspector, determined by the commissioner
10 to be qualified in accordance with the requirements of
11 the commissioner, who has verified in writing that the
12 installation of the earthquake resistive device or
13 devices is complete, and is in compliance with the
14 grant program specifications, guidelines, and
15 requirements, as determined by the commissioner;
- 16 (7) Has installed the earthquake resistive device or
17 devices after July 1, 2008;
- 18 (8) Has provided any other information deemed necessary by
19 the commissioner; and
- 20 (9) Has met all additional requirements needed to
21 implement the grant program as determined by the
22 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,~~] descriptions, specifications, guidelines, and
12 requirements for these wind resistive devices shall be further
13 developed and determined by the commissioner in the
14 commissioner's sole discretion. The commissioner, in the
15 commissioner's sole discretion, may amend, narrow, or expand the
16 definitions, description, specifications, and requirements of
17 the wind 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 shall develop
17 criteria for earthquake resistive devices by January 1, 2009.

18 SECTION 6. There is appropriated out of the hurricane
19 reserve trust fund of the State of Hawaii the sum of \$
20 or so much thereof as may be necessary for fiscal year 2008-2009
21 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
4 year 2008-2009 for the loss mitigation grant program established
5 under chapter 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, 2050.



Report Title:

Loss Mitigation; Earthquake Resistive Devices

Description:

Includes earthquake resistive devices in the loss mitigation grant program. Directs the insurance commissioner to develop criteria for earthquake resistive devices. Appropriates moneys to the loss mitigation grant fund. Effective 07/01/50. (SD1)

