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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 fifty per cent of costs incurred for  
9           the earthquake resistive devices and their  
10           installation, up to a maximum total reimbursement of  
11           \$5,000 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, engineering content, installation procedures,  
4 guidelines, and requirements that shall be developed and  
5 determined by the commissioner in the commissioner's sole  
6 discretion. The commissioner, in the commissioner's sole  
7 discretion, may amend, narrow, or expand the definitions,  
8 description, specifications, and requirements of earthquake  
9 resistive devices.

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

- 12       (1) Met the descriptions, specifications, guidelines, and  
13 requirements established by the commissioner for the  
14 grant program;
- 15       (2) Filed a completed application form, as determined  
16 solely by the commissioner, together with all  
17 supporting documentation required by the commissioner;
- 18       (3) In the case of a building with multiple dwellings,  
19 filed together completed grant applications for all  
20 dwellings in the building, for installation of  
21 earthquake resistive devices;



- 1        (4) Installed an earthquake resistive device or devices  
2            that meet the standards established, designated, and  
3            approved by the commissioner;
- 4        (5) Fully paid, prior to applying for the grant, the cost  
5            of the earthquake resistive device or devices, as well  
6            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) Hired an inspector, determined by the commissioner to  
10           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) Installed the earthquake resistive device or devices  
17            after July 1, 2008;
- 18        (8) Provided any other information deemed necessary by the  
19            commissioner; and
- 20        (9) Met all additional requirements needed to implement  
21            the grant program as determined by the 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~~] six  
20 years for the grant program, which amounts shall include the  
21 costs of administering, operating, and marketing the grant  
22 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~~] fifty per cent of costs  
14 incurred for the wind resistive devices and their  
15 installation, up to a maximum total reimbursement of  
16 [~~\$2,100~~] \$5,000 per 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, engineering  
12 content, installation procedures, guidelines, and requirements  
13 for these wind resistive devices shall be further developed and  
14 determined by the commissioner in the commissioner's sole  
15 discretion. The commissioner, in the commissioner's sole  
16 discretion, may amend, narrow, or expand the definitions,  
17 description, specifications, and requirements of the wind  
18 resistive devices.

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



- 1           (1) [~~Has met~~] Met the descriptions, specifications,  
2           guidelines, and requirements established by the  
3           commissioner for the grant program;
- 4           (2) [~~Has filed~~] Filed a completed application form, as  
5           determined solely by the commissioner, together with  
6           all supporting documentation required by the  
7           commissioner;
- 8           (3) [~~Has, in~~] In the case of a building with multiple  
9           dwellings, filed together completed grant applications  
10          for all dwellings in the building, for installation of  
11          wind resistive devices indicated in section  
12          431:22-104(b) (1), (2), and (4); provided that this  
13          requirement does not apply to section  
14          431:22-104(b) (3);
- 15          (4) [~~Has installed~~] Installed a wind resistive device or  
16          devices including residential safe room designs that  
17          meet the standards established by the state department  
18          of defense and that have been designated and approved  
19          by the commissioner;
- 20          (5) [~~Has fully~~] Fully paid, prior to applying for the  
21          grant, the cost of the wind resistive device or  
22          devices, as well as the installation costs for which



1 the grant is sought. The grant shall be used to  
2 reimburse only these costs or a portion thereof;

3 (6) [~~Has hired~~] Hired an inspector, determined by the  
4 commissioner to be qualified in accordance with the  
5 requirements of the commissioner, who has verified in  
6 writing that the installation of the wind resistive  
7 device or devices is complete and is in compliance  
8 with the grant program specifications, guidelines, and  
9 requirements, as determined by the commissioner;

10 (7) [~~Has installed~~] Installed the wind resistive device or  
11 devices after July 1, 2002;

12 (8) [~~Has provided~~] Provided any other information deemed  
13 necessary by the commissioner; and

14 (9) [~~Has met~~] Met all additional requirements needed to  
15 implement the grant program as determined by the  
16 commissioner.

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

20 SECTION 5. The insurance commissioner shall develop  
21 criteria for earthquake resistive devices by January 1, 2009.





1 SECTION 6. There is appropriated out of the hurricane  
2 reserve trust 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 deposit into the loss mitigation grant fund.

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

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

12 SECTION 8. The department of commerce and consumer  
13 affair's insurance division shall develop a public awareness  
14 campaign on hazard mitigation in collaboration with the hazard  
15 mitigation forum's public education and awareness committee.

16 There is appropriated out of the general revenues of the  
17 State of Hawaii the sum of \$ or so much thereof as may  
18 be necessary for fiscal year 2008-2009 for the purposes of this  
19 section.

20 The sum appropriated shall be expended by the state  
21 insurance division for the purposes of this Act.



1 SECTION 9. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2008-2009 to  
4 finance the operation of a testing facility developed by the  
5 state department of defense's civil defense division and the  
6 University of Hawaii's college of engineering that has the  
7 capacity to test safe room designs and other wind resistant  
8 devices that can be used with Hawaii's unique housing stock.

9 The sum appropriated shall be expended by the civil defense  
10 division for the purposes of this Act.

11 SECTION 10. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 11. 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. Sets grant reimbursement amount for earthquake resistive devices at 50% and caps grant at \$5,000. Increases grant reimbursement amount for wind resistive devices to 50% and caps grant at \$5,000. Establishes and funds a public awareness campaign on hazard mitigation. Appropriates funds for a testing facility to test wind resistant devices and safe room designs. Authorizes Insurance Commissioner to determine standards for earthquake and wind resistive installation procedures and engineering content. Extends the loss mitigation grant program for 3 years. Appropriates funds for the loss mitigation grant fund. (SB2783 SD2)

