

JAN 23 2009

A BILL FOR AN ACT

RELATING TO THE HAWAII HURRICANE RELIEF FUND.

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

1 SECTION 1. Chapter 431P, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431P- Refund of Money. (a) Any owner of eligible
5 property as defined in section 431P-1 who, within ninety days
6 after the effective date of this Act, submits to the Hawaii
7 Hurricane Relief Fund proof of payment as defined in section
8 431P-1 of special mortgage recording fees as established by this
9 chapter, shall receive a full refund from the hurricane reserve
10 trust fund of those fees.

11 (b) Any owner of eligible property as defined in section
12 431P-1 who, within ninety days after the effective date of this
13 Act, submits to the Hawaii Hurricane Relief Fund proof of
14 payment as defined in section 431P-1 of the amount paid in
15 policy premiums for hurricane insurance coverage issued by the
16 Hawaii Hurricane Relief Fund, either directly or through a



1 servicing carrier, shall receive a prorated refund from the
2 hurricane reserve trust fund of those premiums paid.

3 (c) The pro rata percentage in subsection (b) of this
4 section shall be calculated as provided in this section. After
5 the ninety day deadline for submitting refund claims has
6 expired, and all valid claims under subsection (a) of this
7 section have been paid, the accumulated total net income left in
8 the hurricane reserve trust fund, less \$1,000,000, shall be
9 distributed among the claimants as follows. If the funds
10 available for distribution are sufficient, all persons with
11 valid claims under subsection (b) shall be refunded the total
12 amount claimed under subsection (b) for which proof of payment
13 is provided. If sufficient funds are not available to refund
14 all claimants in full, each claimant shall be assigned a
15 percentage equal to the amount of policy premiums for which that
16 claimant has provided proof of payment under subsection (b),
17 divided by the total sum of policy premiums for which proof of
18 payment has been provided by all claimants under subsection
19 (b). Each claimant shall then be refunded that claimant's
20 assigned percentage of the total funds available for
21 distribution under this subsection.



1 (d) Refunds under this section shall be issued no later
2 than sixty days after the ninety day deadline for submission of
3 claims established in subsections (a) and (b) of this section.
4 Any refund to which a property owner is entitled under this
5 section, and which is not paid by the date required by this
6 subsection, shall accrue interest on the amount unpaid at a rate
7 equal to the prime rate for each calendar quarter plus two per
8 cent, but in no event exceeding twelve per cent per year, until
9 it is paid. As used in this subsection, "prime rate" means the
10 prime rate as posted in the Wall Street Journal on the first
11 business day of the month preceding the calendar quarter."

12 SECTION 2. Section 431P-1, Hawaii Revised Statutes,
13 is amended by adding a new definition to be appropriately
14 inserted and to read as follows:

15 "Proof of payment" includes any one of the following:

16 (1) A copy of the owner of eligible property's mortgage
17 closing statement showing the amount paid for a
18 special mortgage recording fee;

19 (2) A copy of the page or pages from the owner of eligible
20 property's homeowner's policy packets showing the
21 coverage limits, deductible, servicing carrier, and
22 policy premiums for the Hawaii Hurricane Relief Fund



1 issued hurricane insurance, for each year the policy
2 was in force;

3 (3) A copy of a cancelled check for special mortgage
4 recording fees paid;

5 (4) A copy of a cancelled check for policy premiums paid
6 for hurricane insurance issued by the Hawaii Hurricane
7 Relief Fund;

8 (5) Records from a financial institution proving payment
9 by an owner of eligible property of special mortgage
10 recording fees or of policy premiums for hurricane
11 insurance issued by the Hawaii Hurricane Relief Fund;

12 or

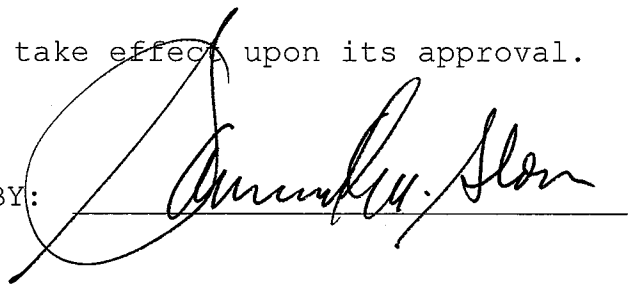
13 (6) Any other proof satisfactory to the officers of the
14 Hawaii Hurricane Relief Fund that an owner of eligible
15 property paid special mortgage recording fees or
16 policy premiums for hurricane insurance issued by the
17 Hawaii Hurricane Relief Fund."

18 SECTION 3. New statutory material is underscored.

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

20

INTRODUCED BY:





Report Title:

Hawaii Hurricane Relief Fund

Description:

Refunds to property owners all but \$1,000,000 from the hurricane reserve trust fund.

