
A BILL FOR AN ACT

RELATING TO HURRICANE PREPAREDNESS.

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

1 SECTION 1. The legislature finds that Hawaii is
2 susceptible to property loss due to hurricanes, tropical storms,
3 and strong winds. The best long-term solution to reducing
4 potential damage is the statewide use of wind resistive devices.
5 The legislature also finds that residents in this State must
6 inspect, repair, and reinforce their residences every year to
7 prepare for the possibility of a hurricane making landfall. The
8 inspection, repair, and reinforcement of their residences
9 consume needed resources from homeowners' budgets but result in
10 homeowners having more hurricane-resistant residences. This, in
11 turn, contributes to reduced hurricane damage repair costs and
12 may qualify homeowners for much-needed hurricane insurance
13 premium credits.

14 The legislature desires to establish a program to provide
15 grants to certain property owners for the installation of wind
16 resistive devices, approved by the insurance commissioner, that
17 will lessen the severity of property loss from strong winds.



1 The legislature finds that the program will serve a public
2 purpose by protecting the health, safety, and welfare of Hawaii
3 residents. The installation of wind resistive devices will help
4 reduce the incidence and severity of personal injury and
5 property damage in the event of a hurricane, thereby preserving
6 human life and property values and minimizing disruptions to the
7 State's economy, business activity, and delivery of public
8 services. The program will also serve the public purpose of
9 stimulating economic growth and activity in the State by
10 creating business and employment opportunities for the sale and
11 installation of wind resistive devices.

12 The legislature finds that the hurricane reserve trust fund
13 was part of a "new, creative, and flexible" mechanism to provide
14 hurricane insurance to Hawaii residents in the aftermath of
15 Hurricane Iniki. See Act 339, Session Laws of Hawaii 1993.
16 After its inception, the fund helped stabilize Hawaii's weak
17 hurricane insurance market, yielded the hurricane insurance
18 market to the private sector, and entered a state of dormancy
19 ready to be reactivated when needed.

20 The legislature also finds that the fund has assets that
21 currently generate approximately \$3,000,000 dollars annually in



1 interest, which is deposited into the general fund and subject
2 to appropriations by the legislature.

3 The purpose of this Act is to:

4 (1) Continue to develop new, creative, and flexible
5 mechanisms that will increase hurricane preparedness
6 in Hawaii;

7 (2) Allocate a portion of the moneys earned through
8 interest from the fund's assets to provide grants
9 under a safe home program; and

10 (3) Financially assist qualified homeowners with the
11 installation of approved wind resistive devices for
12 hurricane preparedness of their homes.

13 SECTION 2. Chapter 431P, Hawaii Revised Statutes, is
14 amended by adding a new part to be appropriately designated and
15 to read as follows:

16 **"PART . SAFE HOME PROGRAM**

17 **§431P-A Definitions.** As used in this part:

18 "Mitigation" means actions undertaken to reduce losses that
19 may result from a hazard.

20 "Wind resistive devices" means devices and techniques, as
21 identified and determined in accordance with section 431P-F(b),



1 that increase a building's or structure's resistance to damage
2 from wind forces.

3 **§431P-B Establishment of safe home program.** (a) The
4 commissioner shall develop and implement a program to be
5 designated as the safe home program and to encourage the
6 installation of wind resistive devices. The program may award
7 matching or nonmatching grants to eligible applicants based upon
8 the availability of funds.

9 (b) This part does not create an entitlement for property
10 owners or obligate the State in any way to fund the inspection
11 or retrofitting of residential property in the State.

12 **§431P-C Safe home program trust fund.** (a) There is
13 established a special fund to be designated as the safe home
14 program trust fund. Moneys transferred to the safe home program
15 trust fund may be expended by the commissioner to carry out the
16 commissioner's duties and obligations under this part.

17 (b) The safe home program trust fund may be used by the
18 commissioner to make grants authorized under this part.

19 Matching and nonmatching grants awarded under section 431P-E
20 from the safe home program trust fund shall not be subject to
21 chapter 42F, 91, 103D, or 103F.



1 (c) The safe home program trust fund may also be used by
2 the commissioner to pay for any administrative, personnel,
3 operational, and marketing costs associated with the program.

4 (d) Upon termination of the safe home program, any
5 balances in the safe home program trust fund will be reverted to
6 the general fund.

7 **§431P-D Eligibility for safe home program.** To be eligible
8 for the program, a residential property must be:

9 (1) The applicant's primary legal residence;

10 (2) Owned and occupied by the applicant;

11 (3) A single-family, owner-occupied residential property;
12 and

13 (4) A residential property covered by a current homeowners
14 or dwelling insurance policy that:

15 (A) Is issued by an insurer licensed in the State or
16 a surplus lines insurer, where the policy is
17 lawfully placed by a broker authorized to do
18 business in the State; and

19 (B) Provides insurance coverage of the residential
20 property equal to or greater than the fair market
21 value of the residential property.



1 **§431P-E Matching and nonmatching grants.** (a) The
2 commissioner may award matching or nonmatching grants based upon
3 the availability of funds.

4 (b) To be eligible for a nonmatching grant award, the
5 applicant must have an annual adjusted gross household income
6 that does not exceed eighty per cent of the median annual
7 adjusted gross income for households within the county in which
8 the person or family resides, as determined by the applicant's
9 most recent federal income tax return. The nonmatching grant
10 award shall not exceed \$6,500.

11 (c) An applicant with an annual adjusted gross household
12 income that exceeds eighty per cent of the median annual
13 adjusted gross income for households within the county in which
14 the person or family resides, as determined by the applicant's
15 most recent federal income tax return, may be eligible for a
16 matching grant award. The matching grant award shall not exceed
17 \$5,200 and must be matched on a dollar-for-dollar basis by the
18 applicant.

19 (d) The commissioner shall issue an annual bulletin that
20 sets forth the maximum grant award amounts based on the total
21 annual adjusted gross household income of the applicant and



1 adjusted for family size relative to the county area median
2 income or the state median family income, whichever is higher,
3 as published annually by the United States Department of Housing
4 and Urban Development.

5 (e) Any grant issued by the safe home program shall not
6 exceed a total of \$5,200 for matching grants, and a total of
7 \$6,500 for nonmatching grants. Any cost of the mitigation
8 project that exceeds the amount of the grant award shall be the
9 responsibility of the applicant.

10 **§431P-F Standards for the award of grants.** (a) Subject
11 to the availability of funds and the standards in this part,
12 grants for wind resistive devices shall be awarded by the
13 commissioner:

14 (1) On a first-come, first-served basis, as determined by
15 the commissioner; and

16 (2) For a wind resistive device or devices installed only
17 in a single-family residential dwelling.

18 (b) Grants shall be awarded for the installation of the
19 following:

20 (1) Roof deck attachment;

21 (2) Secondary water barrier;



- 1 (3) Roof covering;
- 2 (4) Brace gable ends;
- 3 (5) Reinforced roof-to-wall connections;
- 4 (6) Opening protection;
- 5 (7) Exterior doors, including garage doors;
- 6 (8) Tie downs;
- 7 (9) Improvements that mitigate problems associated with
- 8 weakened trusses, studs, and other structural
- 9 components; and
- 10 (10) Any other wind resistive devices approved by the
- 11 commissioner.

12 The commissioner, in the commissioner's sole discretion, may
13 amend, narrow, or expand by rule the definitions, descriptions,
14 specifications, and requirements of the wind resistive devices.

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

- 17 (1) Undergone an acceptable wind certification and
- 18 hurricane mitigation inspection in accordance with the
- 19 program requirements;



- 1 (2) Filed a completed application form, as determined
2 solely by the commissioner, together with all
3 supporting documentation required by the commissioner;
- 4 (3) Installed the wind resistive device or devices in
5 accordance with the program requirements;
- 6 (4) Provided any other information deemed necessary by the
7 commissioner; and
- 8 (5) Met all additional requirements needed to comply with
9 the safe home program as determined by the
10 commissioner.

11 **§431P-G Annual report.** The commissioner shall prepare an
12 annual report to the director, governor, and legislature on the
13 use of the safe home program trust fund. The report shall
14 provide statistical information on safe home program
15 participation. The report shall be submitted to the director,
16 governor, and legislature no later than twenty days prior to the
17 convening of each regular legislative session.

18 **§431P-H Rules.** The commissioner may, in accordance with
19 chapter 91, adopt rules as are necessary or proper to carry out
20 the purposes of this part."



1 SECTION 3. Section 431P-16, Hawaii Revised Statutes, is
2 amended by amending subsection (i) to read as follows:

3 "(i) Moneys in the hurricane reserve trust fund may be
4 disbursed upon dissolution of the Hawaii hurricane relief fund;
5 provided that:

6 (1) The net moneys in the hurricane reserve trust fund
7 shall revert to the general fund after payments by the
8 fund on behalf of licensed property and casualty
9 insurers or the State that are required to be made
10 pursuant to any federal disaster insurance program
11 enacted to provide insurance or reinsurance for
12 hurricane risks are completed; and

13 (2) If such moneys are paid on behalf of licensed property
14 and casualty insurers, payment shall be made in
15 proportion to the premiums from policies of hurricane
16 property insurance serviced by the insurers in the
17 twelve months prior to dissolution of the fund;

18 provided that ~~[all]~~ interest earned from the principal in the
19 hurricane reserve trust fund shall be transferred and deposited
20 ~~[into the general fund each year that the hurricane reserve~~
21 ~~trust fund remains in existence.]~~ in the following manner:



1 \$1,000,000 into the safe home program trust fund established
2 pursuant to section 431P-B for fiscal year 2020-2021 and the
3 remaining balance into the general fund each year that the
4 hurricane reserve trust fund remains in existence."

5 SECTION 4. Section 431P-16.5, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§431P-16.5 Immunity.** There shall be no cause of action,
8 claim for damages or relief, charge, or any other liability [~~of~~
9 ~~any kind whatsoever~~] created against the State, the Hawaii
10 hurricane relief fund, the commissioner, or their respective
11 agents, employees, or board, by[~~7~~] or relating to the loss
12 mitigation grant program[~~7~~] or the safe home program."

13 SECTION 5. There is appropriated out of the hurricane
14 reserve trust fund the sum of \$1,000,000 or so much thereof as
15 may be necessary for fiscal year 2020-2021 for the purposes of
16 funding the safe home program trust fund established by section
17 2 of this Act.

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



1 SECTION 6. There is appropriated out of the safe home
2 program trust fund the sum of \$1,000,000 or so much thereof as
3 may be necessary for fiscal year 2020-2021 for purposes of the:

- 4 (1) Establishment and implementation of the safe home
5 program established under this Act; and
- 6 (2) Establishment of one temporary full-time equivalent
7 (1.0 FTE) position, not subject to chapter 76, Hawaii
8 Revised Statutes, within the insurance division of the
9 department of commerce and consumer affairs to
10 implement and administer the safe home program.

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

13 SECTION 7. In codifying the new sections added to chapter
14 431P, Hawaii Revised Statutes, by section 2 of this Act, the
15 revisor of statutes shall substitute appropriate section numbers
16 for the letters used in designating and referring to the new
17 sections in this Act.

18 SECTION 8. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 9. This Act shall take effect upon its approval.



Report Title:

Insurance; Safe Home Program; Safe Home Program Trust Fund; Grant; Hurricane; Wind Mitigation; Hawaii Hurricane Relief Fund; General Fund; Chapter 431P; Appropriation

Description:

Establishes the Safe Home Program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential property owners upon certain circumstances. Creates one temporary position within the Insurance Division of the Department of Commerce and Consumer Affairs to implement and administer the Safe Home Program. Appropriates funds. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

