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

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

20       The legislature also finds that the hurricane reserve trust  
21 fund has assets that currently generate approximately \$3,000,000



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

3 The purpose of this Act is to:

4 (1) Develop a new, creative, and flexible mechanism that  
5 will increase hurricane preparedness in Hawaii through  
6 a grant program that will financially assist qualified  
7 homeowners with the installation of approved wind  
8 resistive devices for hurricane preparedness of their  
9 homes; and

10 (2) Allocate a portion of the moneys earned through  
11 interest from the hurricane reserve trust fund's  
12 assets to provide the grants under the grant program.

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, 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 shall 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 fund to be designated as the safe home program  
14 trust fund. Moneys transferred to the safe home program trust  
15 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 to eligible applicants  
20 under section 431P-E from the safe home program trust fund shall  
21 not be subject to chapter 42F, 91, 103D, or 103F.



1 Administration of the safe home program, other than grant  
2 awards, shall be subject to chapter 103D.

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

7 (d) Upon termination of the safe home program, any  
8 balances in the safe home program trust fund shall revert to the  
9 general fund.

10 **§431P-D Eligibility for safe home program.** To be eligible  
11 for the safe home program, a residential property shall be:

- 12 (1) The applicant's primary legal residence;  
13 (2) Owned and occupied by the applicant;  
14 (3) A single-family residential property; and  
15 (4) Covered by a current homeowners or dwelling insurance  
16 policy that:

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



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

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

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

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



1 (d) The commissioner shall issue an annual bulletin that  
2 sets forth the maximum grant award amounts based on the total  
3 annual adjusted gross household income of the applicant and  
4 adjusted for the applicant's family size relative to the county  
5 area median income or the state median family income, whichever  
6 is higher, as published annually by the United States Department  
7 of Housing and Urban Development.

8 (e) No grant issued by the safe home program shall exceed  
9 a total of \$5,200 for matching grants or a total of \$6,500 for  
10 nonmatching grants. Any cost of the mitigation project that  
11 exceeds the amount of the grant award shall be the  
12 responsibility of the applicant.

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

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

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



1 (b) Grants shall be awarded for the installation of the  
2 following:

3 (1) Roof deck attachment;

4 (2) Secondary water barrier;

5 (3) Roof covering;

6 (4) Brace gable ends;

7 (5) Reinforced roof-to-wall connections;

8 (6) Opening protection;

9 (7) Exterior doors, including garage doors;

10 (8) Tie downs;

11 (9) Improvements that mitigate problems associated with  
12 weakened trusses, studs, and other structural  
13 components; and

14 (10) Any other wind resistive devices approved by the  
15 commissioner.

16 The commissioner, in the commissioner's sole discretion, may  
17 establish, amend, narrow, or expand by rule the definitions,  
18 descriptions, specifications, and requirements of the wind  
19 resistive devices.

20 (c) A grant may be made to an applicant only if the  
21 applicant has:





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

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



1       **§431P-H Rules.** The commissioner may adopt rules pursuant  
2 to chapter 91 to carry out the purposes of this part."

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

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

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

15       (2) If [~~such~~] the moneys are paid on behalf of licensed  
16 property and casualty insurers, payment shall be made  
17 in proportion to the premiums from policies of  
18 hurricane property insurance serviced by the insurers  
19 in the twelve months prior to dissolution of the fund;  
20 provided that [~~all~~] interest earned from the principal in the  
21 hurricane reserve trust fund shall be transferred and deposited



1 into the general fund each year that the hurricane reserve trust  
2 fund remains in existence[-]; provided further that, for fiscal  
3 year 2021-2022, the first \$2,000,000 in interest shall be  
4 deposited into the safe home program trust fund established  
5 pursuant to section 431P-C."

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

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

14 SECTION 5. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2021-2022 for  
17 the purposes of funding the safe home program trust fund  
18 established under section 2 of this Act.

19 The sum appropriated shall be expended by the department of  
20 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 \$                   or so much thereof as  
3 may be necessary for fiscal year 2021-2022 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  
7 equivalent (1.0 FTE) position, not subject to  
8 chapter 76, Hawaii Revised Statutes, within the  
9 insurance division of the department of commerce and  
10 consumer affairs to implement and administer the safe  
11 home program.

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

14       SECTION 7. In codifying the new sections added by  
15 section 2 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 to the new 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 on July 1, 2050.



**Report Title:**

Insurance; Safe Home Program; Safe Home Program Trust Fund;  
Grant; Hurricane; Wind Mitigation; Hawaii Hurricane Relief Fund;  
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 properties in certain circumstances. Allocates a portion of the moneys earned through interest from the hurricane reserve trust fund for grants under the safe home program. Creates a temporary position within the insurance division of the department of commerce and consumer affairs to implement and administer the safe home program. Appropriates funds. Effective 7/1/2050. (HD2)

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