



Loss Mitigation Grant Program Report

In Accordance with Hawaii Revised Statutes § 431:22-102(c)

Prepared by the

INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

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Foreword

Hawaii Revised Statutes (“HRS”) section 431:22-102(c) requires the Insurance Commissioner to submit to the legislature a report that provides statistical information on participation in the loss mitigation grant program.

The loss mitigation grant program began on September 19, 2006 and ended on June 30, 2008 due to lack of an appropriation bill. The enabling statute is still in place. Moneys are still located in the loss mitigation grant fund.

J.P. SCHMIDT
Insurance Commissioner

Loss Mitigation Grant Program Report for Fiscal Year 2008-2009

This annual report is filed pursuant to Hawaii Revised Statutes (“HRS”) section 431:22-102(c), which requires the Insurance Commissioner to submit an annual report concerning participation in the loss mitigation grant program.

The Insurance Division administers the loss mitigation grant program. Under this program, the public may apply for a grant to cover some of the costs of installing wind resistive devices in their dwellings. Wind resistive devices, otherwise known as hurricane retrofits, help to reduce property loss due to strong winds including tropical storms and hurricanes. Grants are available for up to thirty-five percent of the cost of a retrofit, up to a maximum of \$2,100. Grants are available for the following wind resistive devices:

- (1) Uplift restraint ties at roof ridges and roof framing members to wall or beam supports;
- (2) Addition fastening of roof sheathing and roof decking for high wind uplift;
- (3) Impact and pressure resistant exterior opening protection devices;
- (4) Wall to foundation uplift restraint connections strengthening for wood foundation posts on footings; and
- (5) Residential safe rooms.

The Insurance Division contracted with a licensed structural engineer to develop detailed technical specifications for the wind resistive devices and to approve new products for inclusion in the program.

For fiscal year 2007-2008, the Insurance Division awarded 275 individual grants and 3 condominium association grants. The total grant payout was \$417,340.

For fiscal year 2006-2007, the Insurance Division awarded 144 individual grants and 1 condominium association grant. The total grant payout was \$202,130.

Administrative costs of operating and marketing the program over its entire life totaled \$191,189.

The average individual grant amount was about \$1,166, suggesting that the average retrofit cost was about \$3,300. Hurricane clips were the most commonly installed device.

The program was discontinued as of June 30, 2008 due to the expiration of the Loss Mitigation Grant Fund appropriation; therefore, no mitigation grants were issued for fiscal years 2008-2009 to 2009-2010. Presently, there is \$3.2 million in the Loss Mitigation Grant Fund.