



FEMA

Hawaii Hurricane Relief Project Incentive Program Results in Mitigation

Kauai, HI - On September 11, 1992, Hurricane Iniki hit the island of Kauai, Hawaii, with wind speeds exceeding those of Hurricane Iwa (1982) and Dot (1959). Iniki (a category 4 hurricane) was the strongest and most destructive hurricane to hit the Hawaiian Islands in recorded history. The total economic impact to Kauai and the state exceeded \$2 billion. About 80% of Kauai operated without electricity for two weeks after the event.

Approximately one fifth of the 20,000 homes on Kauai sustained major damage or were destroyed. Most hotels, government and commercial buildings sustained damage. Insured losses reached \$1.6 billion. As a result of the catastrophic losses from Iniki, many insurance companies did not have financial reserves to adequately cover their policyholders. This resulted in a decision by insurers to stop offering homeowners policies and forced 40,000 policyholders statewide to purchase expensive insurance policies.

In response to this crisis, the Hawaii Hurricane Relief Fund (HHRF) was created by the state legislature in 1993 as a temporary measure to provide hurricane insurance for homeowners in Hawaii. In 1996, the HHRF created and implemented a hazard mitigation program that encourages homeowners to strengthen their homes against hurricanes by offering incentives in the form of reduced premiums. The program also recognizes superior construction that meets or exceeds wind speed requirements of current building codes. A comparison study of government operated property insurance providers indicated that the HHRF rated second behind the National Flood Insurance Program for coverage and mitigation activities.

Other programs, such as the State Hazard Mitigation Forum and Project Blue Sky, were developed in Hawaii for hazard mitigation. Project Blue Sky, an awareness program, is a coalition of businesses that sell mitigation products at a discount and offer workshops to teach people how to strengthen their buildings. Due to increasing awareness, new building codes have been adopted for wind resistance. New businesses have been created to develop and install mitigation products such as storm shutters, anchoring/cable systems, and other hardware designed to strengthen structural extensions.

The increased cost of construction and the additional costs of retrofitting are a small payment if, after an event, the losses are substantially reduced. Insurance company projections indicate that installing storm shutters alone would reduce insured losses by 50%. Following Iniki, the HHRF hazard program has been instrumental in motivating policyholders to strengthen their homes.



State-wide,
Hawaii



Quick Facts

Sector:

Public

Cost:

Amount Not Available

Primary Activity/Project:

Education/Outreach/Public Awareness

Primary Funding:

Local Sources