

# **GENERAL INFORMATION**

Homeowner's insurance is not required by law in Hawaii. Your lender, however, may require insurance on your home for the duration of your mortgage. Homeowner's insurance provides protection for your dwelling, personal property, and on-site buildings if damaged or destroyed by a covered peril. Perils are events (i.e. fire and explosion) which cause damage to property. Aside from property coverage for your home and outbuildings, each policy usually contains four additional coverages: personal property, additional living expenses, personal liability, and medical payments.

This guide provides a general overview of homeowner's insurance in Hawaii and is not intended to replace reviewing your policy. Keep in mind, insurers may have varying definitions of policy language and charge different rates for the same coverage. We encourage you to review your policy with your insurance agent to ensure your current provisions best suit your coverage needs.

# **TYPES OF HOMEOWNER'S INSURANCE POLICY FORMS**

While coverage descriptions may vary, most insurers use one or more of the following policy forms. Comprehensive Form (HO-5), not listed, provides the broadest coverage but is uncommon.

BASIC FORM (HO-1) BROAD FORM (HO-2) SPECIAL FORM (HO-3)	HOMEOWNER'S POLICY FORMS											
		CONTENTS BROAD FORM (HO-4)		CONDO OWNERS FORM (HO-6)								
Named peril coverage: fire, lightning, windstorm excluding hurricane, hail, explosion, vandalism or malicious mischief, damage by vehicles, aircraft and riots. Since few homeowners select this limited policy, many insurers no longer offer Form HO-1.In addition to the Basic Form (HO-1) coverages, this form also insures a home and personal property for collapse or damage from falling trees and other objects, and (under certain damage.Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiation, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		This policy provides renters personal property protection against the same perils as the Broad Form (HO-2) and includes personal liability protection. Unlike the other policy forms, the renter's HO-4 form only incorporates coverages C through F.		This condominium and townhouse unit owners form offers coverage for personal property and interior finishes. The condo association typically purchases a separate policy that covers the building (including common walls and grounds) and associated liability.								

#### **POLICY COVERAGES**

Every homeowner's policy (except for HO-4) includes the following six coverages. If your policy's standard coverage is inadequate, endorsements may offer specialized coverage to meet your needs.

	Coverage A:	Covers main house damage. The coverage limit is typically set at or near the replacement cost of the home. For Condo Unit-Owners (HO-6), limit usually the declared value by insured.
	<u>Coverage B:</u>	Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.
Ľ	Coverage D:	Covers additional living expenses (incurred by the insured) to continue the "normal" standard of living when the house cannot be occupied due to a covered loss.
:	<u>Coverage E:</u>	Covers personal liability exposures. Protects against a claim/lawsuit resulting from (non-auto & non-business) bodily injury or property damage to others caused by your negligence.
	Coverage F:	Regardless of who is at fault, this coverage pays for reasonable medical expenses for persons (other than you or residing family members) accidentally injured on your property.

## **TYPES OF VALUATION**

**Replacement cost** is the amount necessary to replace, rebuild, or repair your home/property without deducting for depreciation. Depreciation is the decrease in an asset's value due to age, obsolescence, and/or "wear and tear." Many insurers require policyholders to insure their homes for at least 80% of its replacement value.

Actual cash value (ACV) is the cost to replace, rebuild, or repair your home/property after deducting for depreciation. Most homeowner policies cover personal property on an ACV basis.

## PREMIUM DEVELOPMENT CONSIDERATIONS (VARIES BY INSURER)

Your premium may be based on, but not limited to, the following factors: type of construction, loss prevention devices, public protection class, deductible level, amount of insurance, and policy form.

## **BUYING INSURANCE FOR YOUR HOME**

The key to insurance comparison shopping is identifying your desired deductible levels, coverage limits and provisions before getting premium quotes. Once your ideal policy parameters are selected, the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the importance of the following considerations: premium cost, service and financial stability. Generally, financial ratings from reputable sources (i.e. A.M. Best and Moody's) indicate an insurance company's financial "heath" and ability to pay claims. Note: if your agent only represents one insurance company, you may need to contact an independent agent to obtain competing quotes.

# SAMPLE ANNUAL HOMEOWNERS INSURANCE PREMIUMS - OAHU



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	OAHU - SAMPLE ANNUAL HOMEOWNERS PREMIUMS													
HO PO	LICY (HO-3) ASSUMPTIONS	WELLING (	LING CHARACTERISTICS											
C:	\$290,000 10% of Coverage A 50% of Coverage A (ACV) 20% of Coverage A	Year Built: Construction: Roof: Elevation:	1972 Wood ( <b>Sing</b> Hip, asphal 15' above s	tshingle	2005 Wood ( <b>Dou</b> Hip, asphalt 15' above se	shingle	1990 <b>Masonry</b> (CMU) Flat, torched membrane 15' above sea-level							
	iability): \$150,000 Deductible: \$500	Add'l Factors:	Primary res		Primary resi		Primary residence							
Rates effect	ive as of December 1, 2014		No claims in		No claims in		No claims in 5 yrs. Public Protection Class*							
NAIC Co. Code	Insurance Compar	ıy	Public Prote	ction Class*	Public Prote 3	ction Class* 10	Public Prote 3	ction Class* 10						
12502	Dongbu Insurance Company, Ltd.		228	324	<b>3</b> 192	273	228	324						
12502	First Security Insurance of Hawaii, I	~~	228	324 357	200	273	228	324 357						
10938	American Pacific Insurance Compa		306	464	200	265 341	306	457						
41742	First Insurance Company of Hawaii,		271	388	213	310	271	388						
11689	Island Premier Insurance Company		289	398	217	300	262	398						
28487	Farmers Insurance Hawaii. Inc.	, 210.	361	539	221	342	361	539						
41734	First Indemnity Insurance of Hawaii	Inc.	303	433	242	346	303	433						
41726	First Fire and Casualty Insurance of		303	433	242	346	303	433						
10861	Universal Property & Casualty Insu		266	381	242	346	218	311						
22853	Tradewind Insurance Company, Lin		380	526	286	395	343	526						
10759	Universal North America Insurance		323	DNW	300	DNW	300	DNW						
37265	DTRIC Insurance Company, Limited	ł	327	361	327	361	327	361						
21105	North River Insurance Co.		353	492	332	463	353	492						
22845	Island Insurance Company, Limited		447	619	337	465	404	619						
25180	Stillwater Insurance Company		410	519	357	452	410	463						
23035	Liberty Mutual Fire Ins Co		413	521	376	475	356	461						
21113	United States Fire Insurance Co		402	560	378	526	402	560						
15598	Interinsurance Exchange of the Aut	omobile Club	394	484	394	484	394	484						
29068	IDS Property Casualty Insurance		445	564	406	515	362	474						
12767	Hawaiian Insurance and Guaranty (	Company Limited	409	567	409	567	409	567						
19232	Allstate Insurance Company		472	569	472	569	431	538						
25143	State Farm Fire and Casualty Comp	bany	492	581	492	581	408	480						
13056	RLI Insurance Company		616	875	525	745	616	875						
31348	Crum & Forster Indemnity Co		544	759	544	759	544	759						
19615	American Reliable Insurance Comp	any	563	789	563	789	563	789						
26298	Metropolitan Property & Casualty In	surance Company	610	855	573	804	580	813						
12873	Privilege Underwriters Reciprocal E	xchange	600	1015	600	1015	563	963						
21873	Fireman's Fund Insurance Company	y	1065	1182	1044	1159	1065	1182						
25941	United Services Automobile Associa	ation	1251	1433	1251	1433	1617	1860						
25968	USAA Casualty Insurance Company	/	1263	1428	1263	1428	1624	1850						
20281	Federal Insurance Company		1546	2776	1546	2776	1546	2776						
20346	Pacific Indemnity Company		1546	2776	1546	2776	1546	2776						
18600	USAA General Indemnity Company		1587	1818	1587	1818	2019	2321						
25623	The Phoenix Insurance Company		1743	2439	1743	2439	1743	2439						
25658	The Travelers Indemnity Company		1743	2439	1743	2439	1743	2439						

H	URRICANE POLICY		DWE	ELLING CHARACTERISTICS (same as HOMEOWNERS)										
	ent Cost: \$290,000 ductible: DED (below) /e as of December 1, 2014	Construc Wind R Dev R = Resistive	ices:	Wood ( <b>Single-wall</b> ) None	Wood ( <b>Double-wall</b> ) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips								
NAIC			R	Premium (\$)	Premium (\$)	Premium (\$)								
Co. Code	Insurance Company		B	Premium (\$)	Premium (\$)	Premium (\$)								
11932	White Pine Insurance Company	cal Exchange		1512	349	337								
12873	Privilege Underwriters Reciprocal Ex	change	2%	1511	360	643								
10799	GeoVera Insurance Company		2%	1601	368	426								
11026	Zephyr Insurance Company		2%	2076	431	500								
12573	Centauri Specialty Insurance Com	pany	2%	2213	505	615								
12502	Dongbu Insurance Company, Ltd.		2%	1567	511	522								
12767	Hawaiian Insurance and Guaranty	Company Lin	1 2%	1485	581	564								
10861	Universal Property & Casualty Inst	urance Compa	a 2%	1734	651	587								
25180	Stillwater Insurance Company		2%	794	691	435								
15598	Interinsurance Exchange of the Auto	mobile Club	2%	1712	811	633								
37273	Axis Insurance Company		2%	2426	845	988								
29068	IDS Property Casualty Insurance		5%	953	953	764								
25968	USAA Casualty Insurance Compare	ny	2%	1862	1009	1153								
25941	United Services Automobile Assoc	iation	2%	1982	1074	1227								
19615	American Reliable Insurance Com	pany	2%	1089	1089	1089								
25143	State Farm Fire and Casualty Con	npany	2%	1438	1154	1064								
18600	USAA General Indemnity Compan	У	2%	2421	1311	1499								
13056	RLI Insurance Company		2%	1704	1448	1471								
25623	The Phoenix Insurance Company		2%	2446	2446	2446								
25658	The Travelers Indemnity Company	,	2%	2446	2446	2446								

OAHU - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS Hurricane insurance supplements your homeowner's policy by covering property damage due to hurricanes. For information about homeowner's hurricane insurance, please visit www.hawaii.gov/dcca/ins/hurricane-insurance.html

DNW = Does Not Write

#### OAHU - SAMPLE HOMEOWNERS WITH HURRICANE COVERAGE INCLUDED

	Assumptions and Dwelling Characteristics Same as Above														
NAIC	Insurance Company	Public Prote	ection Class*	Public Protection Class*		Public Prot	ection Class*								
Co. Code	insurance company	3	10	3	10	3	10								
14432	Family Security Insurance Company, Inc.	1764	2012	763	950	819	1028	~~~~	These sample premiums INCLUDE Hurricane coverage						
30104	Hartford Underwriters Insurance Company	1039	1139	774	848	1069	1173	~~~~							
18279	Bankers Standard Insurance Company	1598	2284	1598	2284	1512	2027	<<<<<							

#### SAMPLE PREMIUM VS. YOUR CURRENT OR PROSPECTIVE HOMEOWNERS PREMIUM

Your Homeowners insurance premium may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurer may have unique rating factors associated with these risk classifications so your current or quoted premium could vary from these sample indications. Please contact your agent to obtain quotes that account for your home's specific attributes and desired coverage provisions.

#### \*WHAT IS A PUBLIC PROTECTION CLASSIFICATION?

Public Protection Classification (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. The majority of Oahu properties are classified as a **PPC 3**. If you live in Tantalus or Waialua, please contact your agent to verify your property's classification. Generally, dwellings located more than 5 road miles from a recognized fire station and 1000 feet from a 4" hydrant are a PPC 10.

# SAMPLE ANNUAL HOMEOWNERS INSURANCE PREMIUMS - NEIGHBOR ISLAND



# The Hawaii Insurance Division of the Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii as part of our continuing effort to assist and educate consumers.

	Ν	IEIGHB	OR ISL/	AND - SA		ANNUAL H	IOMEOW	NERS P	REMIUN	/IS											NEIGHBOR IS	LAND - SAM	PLE /	ANNUAL <mark>HURRICA</mark> N	E PREMIUM	
ном	HOMEOWNERS POLICY (HO-3) ASSUMPTIONS DWELLING CHARACTERISTIC ASSUMPTIONS													Hurricane insurance supplements your homeowner's policy by covering property damage due to hurricanes. For information about homeowner's hurricane insurance, please visit www.hawaii.gov/dcca/ins/hurricane-insurance.html												
		Year Built: 1972 Elevation: 15' above sea-level Year Built: 2005 Elevation: 15' above sea-level Year Built: 1990 Elevation: 15' above sea-level									and a	l I n		CANE POLICY ASSUMPTIONS				TICS (same as HOMEO								
Coverage A								Construction: Wood (Double-wall) Contruction: Masonry									e sea-lev	vei			ent Cost: \$290.000	Construction: Wood (Single-wall			Wood (Double-wall)	Masonry (CMU)
	<b>3</b> ( )				waii)			p, asphalt s		wan)				prched m	• • •						eductible: DED (below)	Wind R Devic		None	Hurricane roof clips	Hurricane roof clips
	bility): \$150,000 Deductible: \$500		o, asphalt s	-	claims in 5	VIC		p, asphalt s imary resid	0	laime in l	5 vre		_	ry resider			5 vre				ive as of: 12/1/2014	R = Resistiv		None	Foundation anchors	Humcane roor clips
	Dinty): \$150,000 Deductible: \$500	Addi. 11	,			,		,			,	Auu	_	-			-				ve as 01. 12/1/2014				T oundation anchors	
NAIC	Insurance Company				tion Class				Protecti		-				Protecti					NAIC	Insurance Company		DED	Premium (\$)	Premium (\$)	Premium (\$)
Co. Code		4	5	-		9 10	4	5		7				-		7	9	10	L	Co. Code						
12502	Dongbu Insurance Company, Ltd.	232	233			01 324	195	196			254 27							324		11932	White Pine Insurance Company		2%	1512	349	337
10938	First Security Insurance of Hawaii, Inc.	252				32 357	202				265 28							357		12873	Privilege Underwriters Reciprocal		2%	1511	360	643
10805	American Pacific Insurance Company	310				17 464	218				303 34							457		10799	GeoVera Insurance Company		2%	1601	368	426
41742	First Insurance Company of Hawaii, Ltd.	274	277			60 388	219				288 3						360	388		11026	Zephyr Insurance Company		2%	2076	431	500
11689	Island Premier Insurance Company, Ltd.	289	289			373 398	219				281 30							398		12573	Centauri Specialty Insurance Com		2%	2213	505	615
28487	Farmers Insurance Hawaii, Inc.	366				87 539	225				308 34						487	539		12502	Dongbu Insurance Company, Ltd.		2%	1567	511	522
10861	Universal Property & Casualty Insurance Company	269				53 381	245				321 34							311		12767	Hawaiian Insurance and Guaranty			1485	581	564
41734	First Indemnity Insurance of Hawaii, Inc.	306	309			02 433	245	248			322 34						402	433		10861	Universal Property & Casualty Insura			1734	651	587
41726	First Fire and Casualty Insurance of Hawaii	306				433	245				322 34						402	433		25180	Stillwater Insurance Company		2%	794	691	435
22853	Tradewind Insurance Company, Limited	380	380			89 526	286				367 39						489	526		15598	Interinsurance Exchange of the Autor		2%	1712	811	633
10759	Universal North America Insurance Company	323	337			87 DNW	300	300			386 DN							DNW		10340	Stonington Insurance Company		2%	1881	814	599
37265	DTRIC Insurance Company, Limited	327	327			61 361	327	327			361 36						361	361		37273	Axis Insurance Company		2%	2426	845	988
21105	North River Insurance Co.	353	353			57 492	332				429 46						457	492		29068	IDS Property Casualty Insurance		5%	953	953	764
22845	Island Insurance Company, Limited	447	447			619	337	337			433 46							619		19615	American Reliable Insurance Com		2%	1089	1089	1089
25180	Stillwater Insurance Company	395	395			63 494	344				403 43						395	440		25143	State Farm Fire and Casualty Corr		2%	1438	1154	1064
21113	United States Fire Insurance Co	402	402			560 560	378				489 52						520	560		13056	RLI Insurance Company		2%	1704	1448	1471
23035	Liberty Mutual Fire Ins Co	440	449			02 534	401	409			457 48							471		25968	USAA Casualty Insurance Compar		2%	3882	2103	2403
29068	IDS Property Casualty Insurance	441	453			99 535	403				456 48						401	451		25941	United Services Automobile Assoc		2%	4180	2264	2587
12767	Hawaiian Insurance and Guaranty Company Limited	409	409			28 567	409	409			528 56						528	567		25623	The Phoenix Insurance Company		2%	2446	2446	2446
10340	Stonington Insurance Company	496	496			NW DNW	449				DNW DN							DNW		25658	The Travelers Indemnity Company		2%	2446	2446	2446
15598	Interinsurance Exchange of the Automobile Club	462	462			542	462	462			519 54						519	542		18600	USAA General Indemnity Company	У	2%	5046	2733	3124
19232	Allstate Insurance Company	484	484			38 569	484				538 56						518	538								
13056	RLI Insurance Company	622	628			814 875	530				693 74						814	875								
25143	State Farm Fire and Casualty Company	544				643 643	544				643 64						533	533								
31348	Crum & Forster Indemnity Co	544	544			06 759	544	544			706 75						706	759								
26298	Metropolitan Property & Casualty Insurance Company		650			34 790	557				690 74						698	751								
19615	American Reliable Insurance Company	563	563			32 789	563	563			732 78						732	789								
12873	Privilege Underwriters Reciprocal Exchange	600	600			59 1015					859 10						807	963								
25941	United Services Automobile Association	857	891			016 1028	857				1016 10							1204								
25968	USAA Casualty Insurance Company	885	916		953 1	029 1040	885			953 1	1029 10	40 10	046 10					1223								
21873	Fireman's Fund Insurance Company	1065	1065			182 1182	1044				1159 11							1182								
18600	USAA General Indemnity Company	1130				342 1358	1130				1342 13							1581								
20281	Federal Insurance Company	1546				543 2776					2543 27		646 15					2776								
20346	Pacific Indemnity Company	1546				543 2776					2543 27							2776								
25623	The Phoenix Insurance Company	1743				265 2439	1743				2265 24		43 17					2439								
25658	The Travelers Indemnity Company	1743	1743	1743	1918 2	265 2439	1743	1743	1743 1	918 2	2265 24	39 17	43 17	743 1	743 1	1743	2265	2439								
DNW = Does	Not Write																									

DNW = Does Not Write

#### OAHU - SAMPLE HOMEOWNERS WITH HURRICANE COVERAGE INCLUDED

	Assumptions and Dwelling Characteristics Same as Above																				
NAIC	Insurance Company	Public Protection Class*					Publ	ic Prote	ction Cla	ass*		Public Protection Class*									
Co. Code		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10		These sample premiums INCLUDE Hurricane coverage
14432	Family Security Insurance Company, Inc.	1765	1768	1768	1784	1924	2012	763	765	766	778	884	950	819	821	821	835	964	1028	~~~~~	~
30104	Hartford Underwriters Insurance Company	1039	1039	1039	1039	1139	1139	774	774	774	774	848	848	1069	1069	1069	1069	1173	1173	~~~~	<
18279	Bankers Standard Insurance Company	1598	1598	1598	1855	2112	2284	1598	1598	1598	1855	2112	2284	1512	1512	1512	1769	1941	2027	<<<<<	<u>×</u>

## SAMPLE PREMIUM VS. YOUR CURRENT OR PROSPECTIVE HOMEOWNERS PREMIUM

The premium cost of your Homeowners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications so your current or quoted premium could vary from these sample indications. Please contact your insurance agent to obtain quotes that account for your home's specific attributes and desired coverage provisions.

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