

## **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)	RENTER'S POLICY FORM	UNIT-OWNER'S POLICY FORM
	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 RENTERS (TENANT) INSURANCE PREMIUMS - OAHU



Liberty Mutual Fire Ins Co

Allstate Insurance Company

Stillwater Insurance Company

Dongbu Insurance Company, Ltd.

First Security Insurance of Hawaii, Inc.

First Insurance Company of Hawaii, Ltd.

First Indemnity Insurance of Hawaii, Inc.

Island Premier Insurance Company, Ltd.

Tradewind Insurance Company, Limited

IDS Property Casualty Insurance

North River Insurance Co.

**RLI Insurance Company** 

Farmers Insurance Hawaii, Inc.

United States Fire Insurance Co

Crum & Forster Indemnity Co

Federal Insurance Company

Pacific Indemnity Company

DTRIC Insurance Company, Limited

The Travelers Indemnity Company

The Phoenix Insurance Company

Fireman's Fund Insurance Company

Island Insurance Company, Limited

USAA Casualty Insurance Company

American Pacific Insurance Company

American Reliable Insurance Company

Universal North America Insurance Company

Hawaiian Insurance and Guaranty Company Limited

First Fire and Casualty Insurance of Hawaii

Privilege Underwriters Reciprocal Exchange

USAA General Indemnity Company

Metropolitan Property & Casualty Insurance Company

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The Hawaii Insurance Division of the Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners

Contraction of the second			-	in	surance i	in Hawaii	as part	of our cont	tinuing effor	t to ass	ist and educate c	onsumer	s.	-	_				
	OAHU	J - SAMPLE ANN	UAL REN	TERS PREM	NIUMS				OAHU - SAMPLE ANNUAL RENTERS HURRICANE PREMIUMS										
HO PO	DLICY (HO-4) ASSUMPTIONS			DWELLING	CHARACTER	RISTICS	Hurricane insurance supplements your homeowner's policy by covering property damage due to hurricanes. For information												
Coverage C		Year Built:	-		2005		19990		a	ance.html									
	0: 20% of Coverage C	Construction:	ngle-wall)	Wood (Do		Masonry	. ,				——	_							
Deductible	2: \$500	alt shingle	Hip, aspha	It shingle	Flat, torche	ed membrane	-	HURRICAN	NE POLICY	DWELLING CHARACTERISTICS (same as RENTERS)									
		Elevation: 15' above sea-level				sea-level	15' above	sea-level	Contents C	Coverage: \$	\$30,000	Constru	iction:	Wood (Single-wall)	Wood (Double-wall)	Masonry (CMU)			
		Add'l Factors:	Primary re	sidence	Primary res	sidence	Primary re	esidence	De	eductible: D	DED (below)	Wind R De	vices:	None	Hurricane roof clips	Hurricane roof clips			
Rates effect	ctive as of December 1, 2014		No claims	in 5 yrs.	No claims i	in 5 yrs.	No claims	in 5 yrs.	Rates effect	ive as of	December 1, 2014	R = Resistiv	ve		Foundation anchors				
NAIC	Insurance Compa	<b>n</b> v	Public Pro	tection Class*	Public Prot	ection Class*	Public Pro	tection Class*	NAIC	NAIC Insurance Company			DE	Premium (\$)	Premium (\$)	Premium (\$)			
Co. Code		liy	3	10	3	10	3	10	Co. Code		insurance company		Ü	Freinium (\$)	Freinium (\$)	Fremun (\$)			
10861	Universal Property & Casualty Insu	rance Company	76	155	76 155		68 116		10861	Universal	Property & Casualty Ins	urance Comp	oa 2%	29	22	13			
15598				120	105 120		105 121		25180	Stillwater	Insurance Company		2%	29	29	13			
25143	State Farm Fire and Casualty Com	bany	114 125		114 125		114 125		12573	12573 Centauri Specialty Insurance Cor			2%	130	31	42			
25941	United Services Automobile Associa	ation	133	133	133	133	133	133	25143	State Far	m Fire and Casualty Cor	mpany	2%	41	41	37			

Interinsurance Exchange of the Automobile Club

American Reliable Insurance Company

United Services Automobile Association

Privilege Underwriters Reciprocal Exchange

Hawaiian Insurance and Guaranty Company Lim 2%

USAA Casualty Insurance Company

USAA General Indemnity Company

IDS Property Casualty Insurance

Axis Insurance Company

**RLI Insurance Company** 

Zephyr Insurance Company

GeoVera Insurance Company

White Pine Insurance Company

The Phoenix Insurance Company

The Travelers Indemnity Company

Dongbu Insurance Company, Ltd.

2%

5%

2%

2%

2%

2%

2%

2%

2%

2%

2%

2%

2%

2%

2%

DNW

DNW

#### **OAHU - SAMPLE RENTERS WITH HURRICANE COVERAGE INCLUDED**

	Assumptions and Dwelling Characteristics Same as Above														
NAIC	Incurance Company	Public Prot	ection Class*	Public Pro	tection Class*	Public Pro	tection Class*								
Co. Code	Insurance Company	3	3 10 3 10 3 10						These complements INCLUDE Universe constants						
30104	Hartford Underwriters Insurance Company	453	816	453	816	408	684	<<<<<	These sample premiums INCLUDE Hurricane coverage						
18279	Bankers Standard Insurance Company	799	1597	799	1597	718	1398	<<<<<							

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

Your Renters 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 RENTERS (TENANT) 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.

	NEIGHBOR ISLAND - SAMPLE ANNUAL RENTERS PREMIUMS														NEIGHBOR ISLAND - SAMPLE ANNUAL HURRICANE PREMIUM										
F	RENTERS POLICY (HO-4) ASSUMPTIONS								IG CHA	RACTER		SUMPTIO	IS						ı ſ	Hurricane ir	surance supplements your homeowner's		operty damage due to hurr ii.gov/dcca/ins/hurricane-ir		homeowner's hurricane
Coverage	. ,			972         Elevation:         15' above sea-level         Year Built:         2005         Elevation:         15' above sea-level         Year Built:         1990         Elevation:         15' above sea-level           to:         Wood (Single-wall)         Construction:         Wood (Double-wall)         Construction:         Masonry (CMU)											ove sea		-	CANE POLICY ASSUMPTIONS		DWELLING CHARACTERISTICS (same as HOMEOWNERS)					
D: 20% of Coverage C  Construction: Wood (Single-wall)  Deated the second									all)			Contruction: Masonry (CMU)							Coverage \$30,000	Construction:	Wood (Single-wall)		Masonry (CMU)		
Deductible: \$500												Roof: Flat, torched membrane							eductible: DED (below)	Wind R Devices:	None	Hurricane roof clips	Hurricane roof clips		
Rates effective as of         December 1, 2014           Add'l: Primary residence, no claims in 5 yrs.												Add'l: Primary residence, no claims in 5 yrs.						-	ctive as of: 12/1/2014	R = Resistive		Foundation anchors			
NAIC	Insurance Company			olic Prote						c Protectic						tection C				NAIC	Insurance Company	DED	Premium (\$)	Premium (\$)	Premium (\$)
Co. Code	incurance company	4	5	6	7	9	10	4	5	6	7	9 10	4	5	6	7	9	10		Co. Code	inculation company	0		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·
10861	Universal Property & Casualty Insurance Company	77	77	78	93	124	155	77	77	78 9	31	24 155	69	70	70	71	101	116		10861	Universal Property & Casualty Insura	ance Company 2%	29	22	13
15598	Interinsurance Exchange of the Automobile Club	109	112	112	112	120	120	109	112	112 1	12 1	20 120	109	112	112	113	121	121		25180	Stillwater Insurance Company	2%	29	29	13
25143	State Farm Fire and Casualty Company	114	119	119	122	125	125	114	119	119 1	22 1	25 125	114	119	119	122	125	125		12573	Centauri Specialty Insurance Con	npany 2%	130	31	42
25941	United Services Automobile Association	129	129	129	129	129	129	129	129	129 1	29 1	29 129	129	129	129	129	129	129		25143	State Farm Fire and Casualty Cor	mpany 2%	41	41	37
18600	USAA General Indemnity Company	133	133	133	133	133	133	133	133	133 1	33 1	33 133	133	133	133	133	133	133		15598	Interinsurance Exchange of the Automo	bile Club 2%	145	68	53
23035	Liberty Mutual Fire Ins Co	134	139	139	145	152	152	134	139	139 1	15 1	52 152	134	139	139	145	152	152		29068	IDS Property Casualty Insurance	5%	75	75	39
25180	Stillwater Insurance Company	142	142	142	142	156	156	142	142	142 1	12 1	56 156	142	142	142	142	156	156		19615	American Reliable Insurance Com	npany 2%	75	75	75
19232	Allstate Insurance Company	146	150	151	152	162	162	146	150	151 1	52 1	62 162	146	150	151	152	162	162		37273	Axis Insurance Company	2%	120	75	75
26298	Metropolitan Property & Casualty Insurance Compan	y 148	162	162	170	183	198	148	162	162 1	70 1	83 198	148	162	162	170	183	198		25941	United Services Automobile Asso	ciation 2%	80	80	80
12502	Dongbu Insurance Company, Ltd.	89	89	90	107	141	174	150	150	150 1	50 1	14 133	150	150	150	150	114	133		25968	USAA Casualty Insurance Compa	ny 2%	80	80	80
10938	First Security Insurance of Hawaii, Inc.	150	150	150	150	161	202	150	150	150 1	50 1	61 202	150	150	150	150	150	166		18600	USAA General Indemnity Compar	ny 2%	80	80	80
41742	First Insurance Company of Hawaii, Ltd.	150	150	150	150	170	212	150	150	150 1	50 1	70 212	150	150	150	150	151	174		12873	Privilege Underwriters Reciprocal	Exchange 2%	415	99	177
41734	First Indemnity Insurance of Hawaii, Inc.	150	150	150	150	196	245	150	150	150 1	50 1	96 245	150	150	150	150	174	201		13056	RLI Insurance Company	2%	117	99	102
41726	First Fire and Casualty Insurance of Hawaii	150	150	150	150	196	245	150	150	150 1	50 1	96 245	150	150	150	150	174	201		10799	GeoVera Insurance Company	2%	100	100	100
11689	Island Premier Insurance Company, Ltd.	150	150	150	150	194	243	150	150	150 1	50 1	94 243	150	150	150	150	158	182		12767	Hawaiian Insurance and Guaranty	Company Lirr 2%	100	100	100
22853	Tradewind Insurance Company, Limited	150	150	150	163	216	272	150	150	150 1	63 2	216 272	150	150	150	150	177	203		11026	Zephyr Insurance Company	2%	136	100	100
12873	Privilege Underwriters Reciprocal Exchange	154	154	154	200	231	384	154	154	154 2	0 2	31 384	138	138	138	180	207	346		11932	White Pine Insurance Company	2%	110	110	110
25968	USAA Casualty Insurance Company	157	157	157	157	157	157	157	157	157 1	57 1	57 157	157	157	157	157	157	157		25623	The Phoenix Insurance Company	2%	172	172	172
29068	IDS Property Casualty Insurance	158	158	158	158	158	158	158	158	158 1	58 1	58 158	158	158	158	158	158	158		25658	The Travelers Indemnity Company	y 2%	172	172	172
22845	Island Insurance Company, Limited	159	159	159	192	254	320	159	159	159 1	92 2	254 320	150	150	150	150	207	239		12502	Dongbu Insurance Company, Ltd.	2%	100	DNW	DNW
10805	American Pacific Insurance Company	176	178	181	214	285	357	176	178	181 2	14 2	85 357	160	162	162	163	232	268							
19615	American Reliable Insurance Company	211	211	211	253	337	421	189	189	189 1	39 2	274 316	189	189	189	189	274	316							
10759	Universal North America Insurance Company	200	200	200	226	285	DNW	200	200	200 2	26 2	285 DNW	200	200	200	200	241	DNW							
12767	Hawaiian Insurance and Guaranty Company Limited	209	209	209	236	294	350	209	209	209 2	36 2	94 350	195	195	195	195	251	280							
21105	North River Insurance Co.	222	222	222	222	322	397	219	219	219 2	19 3	318 393	202	202	202	202	289	333							
28487	Farmers Insurance Hawaii, Inc.	222	224	226	269	359	449	222	224	226 2	69 3	859 449	199	202	204	206	291	337							
13056	RLI Insurance Company	226	229	231	274	365	457	226	229	231 2	74 3	65 457	203	206	208	210	297	343							
21113	United States Fire Insurance Co	254	254	254	254	367	454	254	254	254 2	54 3	67 454	228	228	228	228	329	378							
37265	DTRIC Insurance Company, Limited	316	316	316	316	506	632	316	316	316 3	16 5	632	284	284	284	284	410	476							
31348	Crum & Forster Indemnity Co	343	343	343	343	494	612	343	343	343 3	43 4	94 612	310	310	310	310	444	513							
25623	The Phoenix Insurance Company	650	650	650	780	1042	1302	650	650	650 7	30 1	042 1302	586	586	586	586	845	976							
25658	The Travelers Indemnity Company	650	650	650	780	1042	1302	650	650	650 7	30 1	042 1302	586	586	586	586	845	976							
21873	Fireman's Fund Insurance Company	705	705	705	705	1022	1285	705	705	705 7	05 1	022 1285	635	635	635	635	917	1057							
20281	Federal Insurance Company	724	724	724	724	937	1320	724	724	724 7	24 9	37 1320	724	724	724	724	937	1320							
20346	Pacific Indemnity Company	724	724	724	724	937	1320	724	724	724 7	24 9	37 1320	724	724	724	724	937	1320							

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	Assumptions and Dwelling Characteristics Same as Above																					
NAIC	Insurance Company	Public Protection Class*				Public Protection Class*							Pub	lic Prote	ection C	ass*						
Co. Code	ode	4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10		These sample premiums INCLUDE Hurricane coverage	age
10111	American Bankers Insurance Company of Florida	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224		~~~~~	
30104	Hartford Underwriters Insurance Company	453	453	453	453	662	816	453	453	453	453	662	816	408	408	408	408	589	684		~~~~~	
18279	Bankers Standard Insurance Company	799	799	799	959	1278	1597	799	799	799	959	1278	1597	718	718	718	879	1158	1398		~~~~	

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

The premium cost of your Renters 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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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. Generally, dwellings located more than 5 road miles from a recognized fire station and 1000 feet from a 4" hydrant are a PPC 10. For the neighbor islands, PPC grades vary by island and community. Please contact your insurance agent to obtain the PPC associated with your property location.