

# A Consumer's Guide to Homeowner's Insurance in the State of Hawaii

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## 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.

HOMEOWNER'S POLICY FORMS			RENTER'S POLICY FORM	UNIT-OWNER'S POLICY FORM
<b>BASIC FORM (HO-1)</b> 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.	<b>BROAD FORM (HO-2)</b> 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 conditions) from steam and water damage.	<b>SPECIAL FORM (HO-3)</b> 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).	<b>CONTENTS BROAD FORM (HO-4)</b> 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.	<b>CONDO OWNERS FORM (HO-6)</b> 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.
>>>>>>>>>>>> Generally, as coverage increases so does your premium >>>>>>>>>>>>				

## 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.

Section I	<u>Coverage A:</u> 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. <u>Coverage C:</u> Covers damage to or loss of personal property. <u>Coverage D:</u> 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.
Sec II	<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. <u>Coverage F:</u> 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 "health" 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



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.

### OAHU - SAMPLE ANNUAL RENTERS PREMIUMS

HO POLICY (HO-4) ASSUMPTIONS		DWELLING CHARACTERISTICS					
Coverage C: \$30,000 D: 20% of Coverage C Deductible: \$500  Rates effective as of December 1, 2016		Year Built: 1976		1998		1998	
		Construction: Wood (Single-wall) Hip, asphalt shingle		Wood (Double-wall) Hip, asphalt shingle		Masonry (CMU) Flat, torched membrane	
		Elevation: 15' above sea-level		15' above sea-level		15' above sea-level	
		Add'l Factors: Primary residence		Primary residence		Primary residence	
		No claims in 5 yrs.		No claims in 5 yrs.		No claims in 5 yrs.	
NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
10861	Universal Property & Casualty Ins. Co.	76	155	76	155	68	116
12502	Dongbu Insurance Company, Ltd.	89	174	84	169	74	109
15598	Interinsurance Exchange of the Auto Club	105	120	105	120	105	121
25143	State Farm Fire and Casualty Company	114	125	114	125	114	125
29068	IDS Property Casualty Insurance	127	127	127	127	127	127
37265	DTRIC Insurance Company Ltd	129	248	129	248	117	190
25941	United Services Automobile Association	133	133	133	133	133	133
18600	USAA General Indemnity Co.	136	136	136	136	136	136
19232	Allstate Insurance Company	142	162	142	162	142	162
26298	Metropolitan Property & Casualty Insurance Co.	145	166	145	166	145	166
10938	First Security Insurance of Hawaii, Inc.	150	285	150	266	150	201
41742	First Insurance Company of Hawaii, Ltd.	150	300	150	294	150	223
11689	Island Premier Insurance Company, Ltd.	150	243	150	243	150	182
22853	Tradewind Insurance Co., Ltd.	150	272	150	272	150	203
12873	Privilege Underwriters Reciprocal Exchange	154	384	154	384	138	346
23035	Liberty Mutual Fire Ins Co	154	175	154	175	154	175
22845	Island Insurance Company, Limited	159	320	159	320	150	239
21253	Garrison Property & Casualty Insurance Co.	160	160	160	160	160	160
25968	USAA Casualty Insurance Co.	160	160	160	160	160	160
25180	Stillwater Insurance Company	163	176	163	176	163	176
12767	Hawaiian Insurance & Guaranty Company, Ltd	166	334	166	334	166	334
41734	First Indemnity Insurance of Hawaii, Inc.	173	346	173	346	156	262
41726	First Fire and Casualty Insurance of Hawaii, Inc.	173	346	173	346	156	262
10759	Universal North America Ins. Co.	212	359	212	359	197	286
21105	North River Insurance Co.	222	397	222	397	198	329
13056	RLI Insurance Company	224	457	224	457	201	343
21113	United States Fire Insurance Co.	254	454	254	454	228	378
31348	Crum & Forster Indemnity Co	343	612	343	612	310	513
20281	Federal Insurance Company	522	900	522	900	522	900
20346	Pacific Indemnity Company	522	900	522	900	522	900
25658	The Travelers Indemnity Co.	650	1302	650	1302	586	976
25623	The Phoenix Insurance Co.	650	1302	650	1302	586	976

DNW = Does Not Write

### OAHU - SAMPLE ANNUAL RENTERS 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](http://www.hawaii.gov/dcca/ins/hurricane-insurance.html)

HURRICANE POLICY		DWELLING CHARACTERISTICS (same as RENTERS)			
Contents Coverage: \$30,000 Deductible: DED (below)		Construction: Wood (Single-wall)	Wood (Double-wall)	Masonry (CMU)	
Rates effective as of December 1, 2016		Wind R Devices: None	Hurricane roof clips	Hurricane roof clips	
		R = Resistive	Foundation anchors		
NAIC Co. Code	Insurance Company	DED	Premium (\$)		
			Premium (\$)	Premium (\$)	Premium (\$)
10861	Universal Property & Casualty Ins. Co.	2%	29	22	13
25180	Stillwater Insurance Company	2%	29	29	13
29068	IDS Property Casualty Insurance	5%	31	31	16
12573	Centauri Specialty	2%	130	38	36
25143	State Farm Fire and Casualty Company	2%	41	41	37
12767	Hawaiian Insurance & Guaranty Company, Ltd	2%	77	44	26
11026	Zephyr Insurance Co.	2%	109	50	50
12502	Dongbu Insurance Company, Ltd.	2%	111	55	44
15598	Interinsurance Exchange of the Auto Club	2%	145	73	50
37273	AXIS Insurance Company	2%	120	75	75
25941	United Services Automobile Association	2%	80	80	80
25968	USAA Casualty Insurance Co.	2%	80	80	80
18600	USAA General Indemnity Co.	2%	80	80	80
21253	Garrison Property & Casualty Insurance Co.	2%	80	80	80
20338	Palomar Specialty Insurance Company	2%	143	84	71
12873	Privilege Underwriters Reciprocal Exchange	2%	296	99	126
13056	RLI Insurance Company	2%	117	99	102
10799	GeoVera Insurance Co.	2%	127	100	100
10887	Coastal Select Insurance Co.	2%	100	100	100
10759	Universal North America Ins. Co.	2%	151	100	100
11932	White Pine Insurance Co.	2%	110	110	110
25623	The Phoenix Insurance Co.	2%	172	172	172
25658	The Travelers Indemnity Co.	2%	172	172	172

### OAHU - SAMPLE RENTERS WITH HURRICANE COVERAGE INCLUDED

Assumptions and Dwelling Characteristics Same as Above

NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
30104	Hartford Underwriters Insurance Co.	453	816	453	816	408	684
18279	Bankers Standard Insurance Company	799	1597	799	1597	718	1398

<<<<<< These sample premiums INCLUDE Hurricane coverage >>>>>>

### 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

RENTERS POLICY (HO-4) ASSUMPTIONS		DWELLING CHARACTERISTIC ASSUMPTIONS																							
Coverage C: \$25,000 D: 20% of Coverage C Deductible: \$500 Rates effective as of December 1, 2016		Year Built: 1976 Elevation: 15' above sea-level Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.						Year Built: 1998 Elevation: 15' above sea-level Construction: Wood (Double-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.						Year Built: 1998 Elevation: 15' above sea-level Construction: Masonry (CMU) Roof: Flat, torched membrane Add'l: Primary residence, no claims in 5 yrs.											
NAIC Co. Code	Insurance Company	Public Protection Class*						Public Protection Class*						Public Protection Class*											
		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10						
10861	Universal Property & Casualty Ins. Co.	77	77	78	93	124	155	77	77	78	93	124	155	69	70	70	71	101	116						
12502	Dongbu Insurance Company, Ltd.	89	89	90	107	141	174	84	84	85	102	136	169	75	76	78	78	109	128						
15598	Interinsurance Exchange of the Auto Club	109	112	112	112	120	120	109	112	112	112	120	120	109	112	112	113	121	121						
25143	State Farm Fire and Casualty Company	114	119	119	122	125	125	114	119	119	122	125	125	114	119	119	122	125	125						
29068	IDS Property Casualty Insurance	127	127	127	127	127	127	127	127	127	127	127	127	127	127	127	127	127	127						
37265	DTRIC Insurance Company Ltd	129	129	129	129	200	248	129	129	129	129	200	248	117	117	117	117	164	190						
25941	United Services Automobile Association	129	129	129	129	129	129	129	129	129	129	129	129	129	129	129	129	129	129						
18600	USAA General Indemnity Co.	133	133	133	133	133	133	133	133	133	133	133	133	133	133	133	133	133	133						
26298	Metropolitan Property & Casualty Insurance Co.	145	152	152	160	166	166	145	152	152	160	166	166	145	152	152	160	166	166						
19232	Allstate Insurance Company	146	150	151	152	162	162	146	150	151	152	162	162	146	150	151	152	162	162						
10938	First Security Insurance of Hawaii, Inc.	150	150	150	173	229	285	150	150	150	161	214	266	150	150	150	150	175	201						
41742	First Insurance Company of Hawaii, Ltd.	152	153	154	182	241	300	150	150	151	179	236	294	150	150	150	150	194	223						
11689	Island Premier Insurance Company, Ltd.	150	150	150	150	194	243	150	150	150	150	194	243	150	150	150	150	158	182						
22853	Tradewind Insurance Co., Ltd.	150	150	150	163	216	272	150	150	150	163	216	272	150	150	150	150	177	203						
12873	Privilege Underwriters Reciprocal Exchange	154	154	154	200	231	384	154	154	154	200	231	384	138	138	138	180	207	346						
23035	Liberty Mutual Fire Ins Co	154	160	160	167	175	175	154	160	160	167	175	175	154	160	160	167	175	175						
21253	Garrison Property & Casualty Insurance Co.	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157						
25968	USAA Casualty Insurance Co.	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157						
22845	Island Insurance Company, Limited	159	159	159	192	254	320	159	159	159	192	254	320	150	150	150	150	207	239						
25180	Stillwater Insurance Company	163	163	163	163	176	176	163	163	163	163	176	176	163	163	163	163	176	176						
12767	Hawaiian Insurance & Guaranty Company, Ltd	166	166	166	199	267	334	166	166	166	199	267	334	166	166	166	199	267	334						
41734	First Indemnity Insurance of Hawaii, Inc.	176	177	178	210	278	346	176	177	178	210	278	346	159	160	162	163	228	262						
41726	First Fire and Casualty Insurance of Hawaii, Inc.	176	177	178	210	278	346	176	177	178	210	278	346	159	160	162	163	228	262						
10759	Universal North America Ins. Co.	212	212	212	241	301	359	212	212	212	241	301	359	197	197	197	197	256	286						
21105	North River Insurance Co.	222	222	222	222	322	397	222	222	222	222	322	397	198	198	198	198	285	329						
13056	RLI Insurance Company	226	229	231	274	365	457	226	229	231	274	365	457	203	206	208	210	297	343						
21113	United States Fire Insurance Co.	254	254	254	254	367	454	254	254	254	254	367	454	228	228	228	228	329	378						
31348	Crum & Forster Indemnity Co	343	343	343	343	494	612	343	343	343	343	494	612	310	310	310	310	444	513						
25623	The Phoenix Insurance Co.	650	650	650	780	1042	1302	650	650	650	780	1042	1302	586	586	586	586	845	976						
25658	The Travelers Indemnity Co.	650	650	650	780	1042	1302	650	650	650	780	1042	1302	586	586	586	586	845	976						
20281	Federal Insurance Company	673	673	750	750	900	900	673	673	750	750	900	900	673	673	750	750	900	900						
20346	Pacific Indemnity Company	673	673	750	750	900	900	673	673	750	750	900	900	673	673	750	750	900	900						

### NEIGHBOR ISLAND - SAMPLE ANNUAL HURRICANE PREMIUM

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](http://www.hawaii.gov/dcca/ins/hurricane-insurance.html)

HURRICANE POLICY ASSUMPTIONS		DWELLING CHARACTERISTICS (same as HOMEOWNERS)			
Contents Coverage \$30,000 Deductible: DED (below) Rates effective as of: 12/1/2016		Construction: Wood (Single-wall) None	Wood (Double-wall) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips	
NAIC Co. Code	Insurance Company	D/D	Premium (\$)	Premium (\$)	Premium (\$)
29068	IDS Property Casualty Insurance	5%	14	14	7
10861	Universal Property & Casualty Ins. Co.	2%	29	22	13
25180	Stillwater Insurance Company	2%	29	29	13
12573	Centauri Specialty	2%	130	38	36
25143	State Farm Fire and Casualty Company	2%	41	41	37
12767	Hawaiian Insurance & Guaranty Company, Ltd	2%	77	44	26
11026	Zephyr Insurance Co.	2%	109	50	50
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15598	Interinsurance Exchange of the Auto Club	2%	145	73	50
37273	AXIS Insurance Company	2%	120	75	75
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10887	Coastal Select Insurance Co.	2%	100	100	100
10759	Universal North America Ins. Co.	2%	151	100	100
11932	White Pine Insurance Co.	2%	110	110	110
25623	The Phoenix Insurance Co.	2%	172	172	172
25658	The Travelers Indemnity Co.	2%	172	172	172

### OAHU - SAMPLE RENTERS WITH HURRICANE COVERAGE INCLUDED

		Assumptions and Dwelling Characteristics Same as Above																							
NAIC Co. Code	Insurance Company	Public Protection Class*						Public Protection Class*						Public Protection Class*						These sample premiums INCLUDE Hurricane coverage					
		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10						
10111	American Bankers Insurance Co. of Florida	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	224	<<<<<<					
30104	Hartford Underwriters Insurance Co.	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.

#### \*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. 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.