

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
BASIC FORM (HO-1)	BROAD FORM (HO-2)	SPECIAL FORM (HO-3)	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 conditions) from steam and water 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.
>>>>>>>>>>>>>>>>>>>>>> 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 CONDOMINIUM UNIT-OWNERS 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 CONDO UNIT-OWNERS PREMIUMS

HO POLICY (HO-6) ASSUMPTIONS	BUILDING CHARACTERISTICS		
Contents/Int.: \$120,000 (Replacement) D: 40% of Coverage C Section II: \$300,000 Deductible: \$500 Rates effective as of December 1, 2017	Year Built: 1974 Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Elevation: 15' above sea-level Add'l Factors: Primary residence No claims in 5 yrs.	1994 Wood (Double-wall) Gable, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.	1988 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence 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
25941	United Services Automobile Association	72	68	70	66	72	68
25968	USAA Casualty Insurance Co.	83	78	81	78	83	78
21253	Garrison Property and Casualty Ins. Co.	83	78	83	78	83	78
18600	USAA General Indemnity Co.	112	105	112	105	112	105
10805	American Pacific Insurance Company	263	537	263	537	235	404
10938	First Security Insurance of Hawaii, Inc.	275	556	275	556	248	418
12873	Privilege Underwriters Reciprocal Exchange	277	491	277	571	257	522
10759	Universal North America Ins. Co.	284	528	284	528	261	406
23035	Liberty Mutual Fire Ins. Co.	285	323	285	323	285	323
25143	State Farm Fire and Casualty Company	305	337	305	337	305	337
26298	Metropolitan Property & Casualty Insurance Co.	308	352	308	352	308	352
21105	North River Insurance Co.	314	556	314	556	283	467
37265	DTRIC Insurance Company Ltd	332	640	332	640	300	486
12502	Dongbu Insurance Company, Ltd.	350	675	350	675	313	507
21113	United States Fire Insurance Co.	356	635	356	635	320	529
11689	Island Premier Insurance Company, Ltd.	361	709	361	709	329	536
28487	Farmers Insurance Hawaii, Inc.	386	787	386	787	348	590
10861	Universal Property & Casualty Ins. Co.	390	777	390	777	352	588
41742	First Insurance Company of Hawaii, Ltd.	397	801	397	801	358	603
22853	Tradewind Insurance Co., Ltd.	402	793	402	793	365	597
15598	Interinsurance Exchange of the Auto Club	444	504	444	504	444	504
19232	Allstate Insurance Company	449	408	449	408	449	408
22845	Island Insurance Company, Limited	473	934	473	934	428	706
41734	First Indemnity Insurance of Hawaii, Inc.	488	985	488	985	440	742
41726	First Fire and Casualty Insurance of Hawaii, Inc.	488	985	488	985	440	742
12767	Hawaiian Insurance & Guraranty Company Ltd.	505	987	505	987	457	747
29068	IDS Property Casualty Insurance	567	567	564	564	564	564
19615	American Reliable Insurance Company	598	1181	598	1181	541	889
31348	CRUM & FORSTER INDEMNITY CO	628	1120	628	1120	568	940
25180	Stillwater Insurance Company	684	757	684	757	622	688
13056	RLI Insurance Company	735	1481	735	1481	565	953
20281	Federal Insurance Company	745	1370	745	1370	745	1370
20346	Pacific Indemnity Company	745	1370	745	1370	745	1370
25623	The Phoenix Insurance Company	1277	2557	1277	2557	1150	1917
25658	The Travelers Indemnity Company	1277	2557	1277	2557	1150	1917

DNW = Does Not Write

OAHU - SAMPLE ANNUAL CONDO UNIT-OWNERS 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

HURRICANE POLICY	BUILDING CHARACTERISTICS (same as CONDO OWNERS)			
Contents/Interior: \$120,000 Deductible: DED (below) Rates effective as of December 1, 2017	Construction: Wind R Devices: R = Resistive	Wood (Single-wall) None	Wood (Double-wall) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips

NAIC Co. Code	Insurance Company	Ded	Premium (\$)	Premium (\$)	Premium (\$)
			3	10	1063
25941	United Services Automobile Association	2%	35	24	24
25968	USAA Casualty Insurance Co.	2%	90	62	61
21253	Garrison Property and Casualty Ins. Co.	2%	90	62	61
29068	IDS Property Casualty Insurance	5%	64	64	34
18600	USAA General Indemnity Co.	2%	117	81	80
11932	White Pine Insurance Company	2%	255	110	110
10861	Universal Property & Casualty Ins. Co.	2%	141	119	62
10887	Coastal Select Insurance Company	2%	474	137	127
12873	Privilege Underwriters Reciprocal Exchange	2%	530	140	226
11026	Zephyr Insurance Company	2%	578	165	174
12502	Dongbu Insurance Company, Ltd.	2%	390	170	153
10759	Universal North America Ins. Co.	2%	506	171	132
10799	GeoVera Insurance Company	2%	627	177	168
25623	The Phoenix Insurance Company	2%	200	200	200
25658	The Travelers Indemnity Company	2%	200	200	200
37273	AXIS Insurance Company	2%	560	212	170
20338	Palomar Specialty Insurance Company	2%	500	215	156
19615	American Reliable Insurance Company	2%	250	220	171
25143	State Farm Fire and Casualty Company	2%	233	233	205
12573	Centauri Specialty	2%	538	253	199
12767	Hawaiian Insurance & Guraranty Company Ltd.	2%	433	294	190
25180	Stillwater Insurance Company	2%	304	304	106
15598	Interinsurance Exchange of the Auto Club	2%	694	351	278
13056	RLI Insurance Company	2%	1283	1221	1063

OAHU - SAMPLE CONDO UNIT-OWNERS 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	
18279	Bankers Standard Insurance Company	839	1677	839	1677	755 1467
30104	Hartford Underwriters Insurance Company	882	1587	882	1587	794 1331

These sample premiums INCLUDE Hurricane coverage

SAMPLE PREMIUM VS. YOUR CURRENT OR PROSPECTIVE CONDOMINIUM UNIT-OWNERS PREMIUM

Your Condominium 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.

