

# 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	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. Coverage B: Covers damage to other structures on the lot, such as detached garages/carports and storage sheds. Coverage C: Covers damage to or loss of personal property. 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.
Section II	Coverage E: 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 "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 PREMIUM VS. YOUR CURRENT OR PROSPECTIVE RENTERS PREMIUM

Your 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 CONDOMINIUM UNIT-OWNERS INSURANCE PREMIUMS (HO-6) - OAHU**

Rates effective as of: **December 1, 2024**



The Hawaii Insurance Division of the Department of Commerce and Consumer Affairs provides this sample premium comparison as part of its continuing effort to assist and educate consumers. It consists of licensed insurance companies that reported Hawaii Homeowners premiums.

**OAHU - SAMPLE ANNUAL CONDO UNIT-OWNERS PREMIUMS**

HO POLICY (HO-6) ASSUMPTIONS		BUILDING CHARACTERISTICS								
Contents/Interior: \$125,000 (Replacement) Coverage D: 40% of Coverage C Section II (Liability): \$310,000 Deductible: \$500		Year Built: 1972 Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Elevation: 15' above sea-level Add'l Factors: Primary residence; No claims in 5 yrs.	2008 Wood (Double-wall) Gable, asphalt shingle 15' above sea-level Primary residence; No claims in 5 yrs.	2000 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence; No claims in 5 yrs.	Public Protection Class*		Public Protection Class*		Public Protection Class*	
NAIC Co. Code	Insurance Company	3	10	3	10	3	10	3	10	
25941	United Services Automobile Association	\$ 77	\$ 85	\$ 77	\$ 85	\$ 73	\$ 78			
21253	Garrison Property and Casualty Ins. Co.	108	119	108	119	102	109			
25968	USAA Casualty Insurance Company	108	120	108	120	103	110			
18600	USAA General Indemnity Company	144	159	144	159	136	146			
10677	The Cincinnati Insurance Companies	256	477	256	477	254	469			
29068	American Family Connect P&C Ins. Co.	294	294	294	294	294	294			
26298	Farmers Property & Casualty Ins. Co.	308	352	308	352	308	352			
25143	State Farm Fire and Casualty Company	334	369	334	369	334	369			
12873	Privilege Underwriters Reciprocal Exchange	387	966	387	966	348	870			
10861	Universal Property & Casualty Ins. Co.	406	809	406	809	366	611			
21113	United States Fire Insurance Co.	416	744	416	744	374	621			
12767	Hawaiian Insurance & Guaranty Company	428	830	431	836	407	667			
19410	Commerce and Industry Insurance Company	437	794	437	794	401	705			
15598	Interinsurance Exchange of the Automobile Club	459	525	459	525	459	525			
10759	Universal North America Insurance Company	471	906	471	906	430	686			
41459	Armed Forces Insurance Exchange	499	999	499	999	454	755			
23035	Liberty Mutual Fire Insurance Company	614	695	614	695	614	695			
41742	First Insurance Company of Hawaii	640	1,297	640	1,297	575	977			
21165	North River Insurance Co.	650	1,316	650	1,316	581	989			
11026	Zephyr Insurance Company	779	DNW	688	DNW	632	DNW			
25180	Stillwater Insurance Company	706	782	706	782	706	782			
12903	DTRIC Insurance Underwriters Limited	744	1,446	744	1,446	674	1,098			
41726	First Fire and Casualty Insurance of Hawaii	902	1,961	902	1,961	807	1,374			
41734	First Indemnity Insurance of Hawaii	902	1,961	902	1,961	807	1,374			
11689	Island Premier Insurance Company, Ltd.	973	1,931	973	1,931	880	1,462			
31348	Crum & Forster Indemnity Co.	1,027	2,089	1,027	2,089	924	1,573			
22853	Tradewind Insurance Company, Ltd.	1,086	2,152	1,086	2,152	982	1,620			
19232	Allstate Insurance Co.	1,115	1,259	1,115	1,259	1,115	1,259			
10938	First Security Insurance of Hawaii	1,274	2,950	1,274	2,950	1,146	2,112			
13056	RLI Insurance Company	1,281	2,595	1,281	2,595	981	1,661			
22845	Island Insurance Company, Ltd.	1,287	2,543	1,287	2,543	1,152	1,914			
25658	The Travelers Indemnity Company	1,380	2,702	1,380	2,702	1,248	2,040			
10111	American Bankers Ins. Co. of Florida	1,391	1,391	1,391	1,391	1,263	1,263			
12502	DB Insurance Company	2,506	4,644	2,484	4,622	2,236	3,482			

DNW = Does Not Write

**OAHU - SAMPLE ANNUAL CONDO UNIT-OWNERS HURRICANE ONLY PREMIUMS**

Hurricane insurance supplements your homeowner's policy by covering property damage due to hurricanes. For information about homeowner's hurricane insurance, please visit <https://cca.hawaii.gov/ins/files/2022/06/Hurricane-FAQ.pdf>

HURRICANE POLICY		BUILDING CHARACTERISTICS (same as CONDO OWNERS)			
Contents/Interior: \$125,000 Deductible: DED (below)		Construction: Wood (Single-wall) Wind R.Devices: None R = Resistive	Wood (Double-wall) ^ AA	Masonry (CMU) ^	
NAIC Co. Code	Insurance Company	%	\$	\$	\$
29068	American Family Connect P&C Ins. Co.	2%	\$ 34	\$ 34	\$ 18
10048	Hyundai Marine and Fire Insurance Co.	2%	308	61	54
21253	Garrison Property and Casualty Ins. Co.	2%	94	65	57
25968	USAA Casualty Insurance Company	2%	94	65	57
25941	United Services Automobile Association	2%	111	77	68
18600	USAA General Indemnity Company	2%	122	85	75
10861	Universal Property & Casualty Ins. Co.	2%	146	124	65
41459	Armed Forces Insurance Exchange	2%	152	152	62
10677	The Cincinnati Insurance Companies	2%	394	157	102
25658	The Travelers Indemnity Company	2%	200	200	200
19410	Commerce and Industry Insurance Co.	2%	257	203	182
12502	DB Insurance Company	2%	518	225	203
12873	Privilege Underwriters Reciprocal Exchange	2%	870	230	265
25143	State Farm Fire and Casualty Company	2%	243	243	214
12767	Hawaiian Insurance & Guaranty Co.	2%	394	253	124
41742	First Insurance Company of Hawaii	2%	584	266	213
12573	Centauri Specialty Insurance Company	2%	524	285	308
11026	Zephyr Insurance Company	2%	992	288	288
25180	Stillwater Insurance Company	2%	314	314	134
10111	American Bankers Ins. Co. of Florida	2%	335	335	335
20338	Palomar Specialty Insurance Company	2%	893	341	260
15598	Interinsurance Exchange of the Automobile Club	2%	723	342	236
17521	Laulima Exchange	2%	897	344	261
10759	Universal North America Insurance Co.	2%	1,049	437	274
13056	RLI Insurance Company	2%	1,852	1,787	1,500

^ Hurricane roof clips  
 ^^ Foundation anchors

**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	3	10
20346	Pacific Indemnity	\$ 775	\$ 1,434	\$ 775	\$ 1,434	\$ 775	\$ 1,434
20281	Federal Insurance Company	775	1,434	775	1,434	775	1,434
30104	Hartford Underwriters Insurance Company	918	1,652	918	1,652	826	1,386
18279	Bankers Standard Insurance Company	1,322	2,363	1,322	2,363	1,218	2,103

