



## Learn more about the Real Estate Branch (REB) of the Department of Commerce and Consumer Affairs

Check out the REB website [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec) for more information and some frequently asked questions.

- What services does the REB provide to the condominium community?
- Where do I file a complaint against my association?
- What laws apply to my condominium association?
- How do I get a copy of my association documents?
- How do I obtain a real estate license?
- What are the laws and rules for real estate licensees?

## Real Estate Branch

### About Us

The Real Estate Branch, as part of the Professional and Vocational Licensing Division, assists the Real Estate Commission in carrying out its responsibility for the education, licensure and discipline of real estate licensees; registration of condominium projects, condominium associations, condominium managing agents, and condominium hotel operators; and intervening in court cases involving the real estate recovery fund.

### Subscribe

Receive emails on relevant condominium educational materials. Sign up now at <http://cca.hawaii.gov/reb/subscribe/>

### Contact Us

Condominium Hotline: 808-586-2644  
Hours: 9:00 AM – 3:00 PM  
Email: [hirec@dcca.hawaii.gov](mailto:hirec@dcca.hawaii.gov)  
Web: [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec)

Insurance Division 808-586-2790

*This brochure is for informational purposes only and not intended for the purpose of providing legal advice. Information provided is*



### CONDOMINIUM: INSURANCE BASICS

Real Estate Branch  
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## CONDOMINIUM: INSURANCE BASICS

*Real Estate Branch  
Department of Commerce and  
Consumer Affairs*

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## Associations

In Hawaii, unless otherwise provided in the declaration or bylaws (governing documents), a condominium association must purchase and maintain property insurance, commercial general liability insurance, and a fidelity bond. In addition, the board must obtain directors and officers liability (D & O) coverage. Hawaii Revised Statutes section 514B-143.

The property insurance must be on the common elements (select limited common elements) and covers the structures as built, including coverage for the increased costs of construction due to building code requirements. Deductibles may be paid as a common expense or against a damage causing owner or damaged unit owner depending upon board policy.

The commercial general liability insurance insures against claims and liabilities arising out of the project. Statutorily, it must be at least \$1,000,000; the governing documents and the board can insure for more.

Associations of more than five units must obtain a fidelity bond covering people who control or disburse association

funds, including managing agents. If an association is unable to obtain the bond needed to register the association, the Real Estate Commission has fidelity bond exemption policies. Detailed information is available on the Certification Statement of Insurance (CSI) form on the Hawaii Real Estate Branch website.

A fidelity bond is also required for all management companies that hold or administer association funds.

The last statutory requirement is that the board obtain D & O insurance at a reasonable level subject to the governing documents.

Note that depending upon the governing documents and law, associations may also be required to have workers' compensation, temporary disability, auto, health, and other types of insurance. In addition, property insurance generally does not encompass flood, hurricane, earthquake, and other natural disasters. These events require special policies.



## Owners

In addition to the primary association property policy, unit owners may be required to obtain insurance (HO6); if an owner fails to do so, the association can purchase insurance in the name of the owner and charge the cost back. The HO6 basically covers alterations, fixtures, improvements, and personal property in the unit and sometimes loss of use.



### Damage Happens - What to Do

Following a loss or damage, immediately take steps to mitigate further damage to the property.

Next, if an owner, notify the condominium association via its board, managing agent, and/or site manager, as well as the insurers for the unit and the association.

The association will administer the insurance claim as required under the condominium statute, chapter 514B, HRS.

Check with insurance professionals regarding insurance or the DCCA Insurance Division at (808) 586-2790