

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.

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	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.
= Sec	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 ANNUAL RENTERS (TENANT) INSURANCE PREMIUMS (HO-4) - OAHU

Rates effective as of: December 1, 2019



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: \$40,000 (Replacement)		Year Built: 1972	1972	Wood (Single-wall)	
Coverage D: 20% of Coverage C		Construction: Roof: Hip, asphalt shingle		2008 Wood (Double-wall)	
Section II (Liability): \$310,000		Elevation: 15' above sea-level		2000 Masonry (CMU)	
Deductible: \$500		Add'l Factors: Primary residence; No claims in 5 yrs.		Flat, torched membrane	

NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
25941	Privilege Underwriters Reciprocal Exchange	\$ 99	\$ 247	\$ 99	\$ 247	\$ 89	\$ 222
25143	State Farm Fire and Casualty Company	120	132	120	132	120	132
14432	Family Security Insurance Co., Inc.	130	DNW	130	DNW	130	DNW
12502	DB Insurance Co., Ltd. (U.S. Branch)	136	241	136	241	136	241
10677	The Cincinnati Insurance Company	138	210	138	210	137	207
10938	First Security Insurance of Hawaii, Inc.	150	216	150	188	150	150
41742	First Insurance Company of Hawaii, Ltd.	150	215	150	197	150	150
41734	First Indemnity Ins. of Hawaii, Inc.	150	229	150	229	150	173
41726	First Fire and Casualty Ins. of Hawaii, Inc.	150	229	150	229	150	173
10861	Universal Property & Casualty Ins. Co.	154	296	154	296	141	227
37265	DTRIC Insurance Company, Ltd.	187	352	187	352	168	270
29068	IDS Property Casualty Insurance	191	191	191	191	191	191
15598	Interinsurance Exchange of the Automobile Club	202	226	202	226	202	226
26298	Metropolitan Property & Casualty Ins. Co.	205	232	205	232	205	232
23035	Liberty Mutual Fire Insurance Co.	216	243	216	243	216	243
19410	Commerce & Industry Insurance Co.	218	356	218	356	204	322
25180	Stillwater Insurance Company	218	238	218	238	218	238
25180	Stillwater Insurance Company	218	238	218	238	218	238
10759	Universal North America Insurance Co.	228	415	228	415	208	321
11689	Island Premier Insurance Co., Ltd.	228	443	228	443	207	335
19232	Allstate Insurance Co.	234	266	234	266	234	266
12767	Hawaiian Insurance & Guaranty Co Ltd.	242	486	242	486	218	365
22853	Tradewind Insurance Co., Limited	254	492	254	492	229	373
10111	American Bankers Ins. Co. of Florida	282	282	282	282	282	282
22845	Island Insurance Co., Limited	297	580	297	580	270	439
18600	USAA General Indemnity Company	302	302	302	302	302	302
25941	United Services Automobile Association	309	309	309	309	309	309
21105	North River Insurance Company	312	538	312	538	285	455
21113	United States Fire Insurance Co.	351	611	351	611	318	514
21253	Garrison Property and Casualty Ins. Co.	358	358	358	358	358	358
25968	USAA Casualty Insurance Company	358	358	358	358	358	358
13056	RLI Insurance Company	401	804	401	804	310	518
31348	Crum & Forster Indemnity Co.	476	824	476	824	433	695
20281	Federal Ins co	678	1,225	678	1,225	678	1,225
20346	Pacific Indemnity Co	678	1,225	678	1,225	678	1,225
25658	The Travelers Indemnity Company	889	1,720	889	1,720	806	1,305
25623	The Phoenix Insurance Company	889	1,720	889	1,720	806	1,305

DNW = Does Not Write

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.	\$ 741	\$ 1,333	\$ 741	\$ 1,333	\$ 667	\$ 1,118
18279	Bankers Standard Insurance Co.	951	1,853	951	1,853	860	1,627

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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.

OAHU - SAMPLE ANNUAL RENTERS 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 www.hawaii.gov/dcca/ins/hurricane-insurance.html

HURRICANE POLICY		DWELLING CHARACTERISTICS (same as RENTERS)			
Contents Coverage: \$40,000	Deductible: DED (below)	Construction: Wind R Devices: R = Resistive	Wood (Single-wall)	Wood (Double-wall)	Masonry (CMU)
29068	IDS Property Casualty Insurance	5%	\$ 43	\$ 43	\$ 43
10861	Universal Property & Casualty Ins. Co.	2%	52	44	23
25180	Stillwater Insurance Company	2%	45	45	20
31461	Dorchester Insurance Co.	2%	106	50	50
25143	State Farm Fire and Casualty Company	2%	55	55	49
12767	Hawaiian Insurance & Guaranty Co Ltd.	2%	98	57	34
12873	Privilege Underwriters Reciprocal Exchange	2%	222	59	68
11026	Zephyr Insurance Company	2%	169	60	56
25941	United Services Automobile Association	2%	63	63	63
25968	USAA Casualty Insurance Company	2%	63	63	63
18600	USAA General Indemnity Company	2%	63	63	63
21253	Garrison Property and Casualty Ins. Co.	2%	63	63	63
19410	Commerce & Industry Insurance Co.	2%	82	65	58
37273	AXIS Insurance Company	2%	160	75	75
12502	DB Insurance Co., Ltd. (U.S. Branch)	2%	133	76	52
20338	Palomar Specialty Insurance Company	2%	178	89	77
15598	Interinsurance Exchange of the Automobile Club	2%	198	94	65
10799	GeoVera Insurance Company	2%	174	100	100
10887	Coastal Select Insurance Company	2%	133	100	100
10759	Universal North America Insurance Co.	2%	230	100	100
11932	White Pine Insurance Company	2%	110	110	110
14432	Family Security Insurance Co., Inc.	2%	149	114	82
12573	Centauri Specialty Insurance Co.	2%	125	125	125
25623	The Phoenix Insurance Company	2%	172	172	172
25658	The Travelers Indemnity Company	2%	172	172	172
13056	RLI Insurance Company	2%	558	540	452

