

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)
<p>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.</p>	<p>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.</p>	<p>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).</p>	<p>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.</p>	<p>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.</p>

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	<p><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.</p> <p><u>Coverage B:</u> Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.</p> <p><u>Coverage C:</u> Covers damage to or loss of personal property.</p> <p><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.</p>
Sec II	<p><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.</p> <p><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.</p>

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.



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 RENTERS PREMIUMS

HO POLICY (HO-4) ASSUMPTIONS

Coverage C: \$40,000 (Replacement)
Coverage D: 20% of Coverage C
Section II (Liability): \$310,000
Deductible: \$500

DWELLING CHARACTERISTICS					
Year Built:	1972	2008	2000		
Construction:	Wood (Single-wall)	Wood (Double-wall)	Masonry (CMU)		
Roof:	Hip, asphalt shingle	Gable, asphalt shingle	Flat, torched membrane		
Elevation:	15' above sea-level	15' above sea-level	15' above sea-level		
Add'l Factors:	Primary residence; No claims in 5 yrs.	Primary residence; No claims in 5 yrs.	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	Privilege Underwriters Reciprocal Exchange	\$ 115	\$ 289	\$ 115	\$ 289	\$ 104	\$ 260
25143	State Farm Fire and Casualty Company	120	132	120	132	120	132
24376	Spinnaker Insurance Company	125	125	125	125	125	125
12502	DB Insurance	136	241	136	241	136	241
10677	The Cincinnati Insurance Company	138	210	138	210	137	207
11026	Zephyr Insurance Company	150	DNW	150	DNW	150	DNW
10861	Universal Property & Casualty Insurance Company	154	296	154	296	141	227
41742	First Insurance Company of Hawaii, Ltd.	187	375	187	375	172	283
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
41734	First Indemnity Insurance of Hawaii, Inc.	203	403	203	403	184	305
41726	First Fire and Casualty Insurance of Hawaii, Inc.	203	403	203	403	184	305
26298	Metropolitan Property & Casualty Insurance Co.	205	232	205	232	205	232
23035	Liberty Mutual Fire Insurance Company	216	243	216	243	216	243
19410	Commerce and Industry Insurance Company	218	356	218	356	204	322
25180	Stillwater Insurance Company	218	238	218	238	218	238
10759	Universal North America Insurance Company	228	415	228	415	208	321
11689	Island Premier Insurance Company, Ltd.	228	443	228	443	207	335
19232	Allstate Insurance Company	234	266	234	266	234	266
25941	United Services Automobile Association	240	240	240	240	240	240
10111	American Bankers Insurance Company of Florida	242	242	242	242	242	242
22853	Tradewind Insurance Company, Limited	254	492	254	492	229	373
12767	Hawaiian Insurance & Guaranty Company Ltd.	267	511	267	511	218	365
22845	Island Insurance Company, Limited	297	580	297	580	270	439
18600	USAA General Indemnity Company	302	302	302	302	302	302
28401	American National Property And Casualty Company	307	307	307	307	307	307
21105	North River Insurance Co.	312	538	312	538	285	455
21113	United States Fire Insurance Co.	351	611	351	611	318	514
21253	Garrison Property and Casualty Insurance Company	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
10938	First Security Insurance of Hawaii, Inc.	DNW	DNW	DNW	DNW	DNW	DNW

DNW = Does Not Write

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: Wood (Single-wall) None Wind R Devices: R = Resistive		

NAIC Co. Code	Insurance Company	DED			
29068	IDS Property Casualty Insurance	5%	\$ 43	\$ 43	\$ 43
10861	Universal Property & Casualty Insurance Co.	2%	52	44	23
25180	Stillwater Insurance Company	2%	45	45	20
31461	Dorchester Insurance Co	2%	106	50	50
12767	Hawaiian Insurance & Guaranty Company Ltd.	2%	93	50	30
10677	The Cincinnati Insurance Company	2%	128	51	33
25143	State Farm Fire and Casualty Company	2%	55	55	49
11026	Zephyr Insurance Company	2%	161	57	50
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 Insurance Co.	2%	160	75	75
19410	Commerce and Industry Insurance Company	2%	82	65	58
12873	Privilege Underwriters Reciprocal Exchange	2%	260	69	79
37273	AXIS Insurance Company	2%	160	75	75
12502	DB Insurance	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%	142	100	100
10759	Universal North America Insurance Company	2%	230	100	100
12573	Centauri Specialty Insurance Company	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

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
10111	American Bankers Insurance Company of Florida	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242
30104	Hartford Underwriters Insurance Company	\$ 741	\$ 1,333	\$ 741	\$ 1,333	\$ 667	\$ 1,118
18279	Bankers Standard Insurance Company	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.

SAMPLE ANNUAL RENTERS (TENANT) INSURANCE PREMIUMS (HO-4) - NEIGHBOR ISLANDS

Rates effective as of: December 1, 2020



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SAMPLE ANNUAL RENTERS PREMIUMS

RENTERS POLICY (HO-4) ASSUMPTIONS		DWELLING CHARACTERISTIC ASSUMPTIONS							
Coverage C: \$40,000 (Replacement)	Year Built: 1972	DWELLING CHARACTERISTIC ASSUMPTIONS							
Coverage D: 20% of Coverage C	Elevation: 15' above sea-level	4	5	6	7	9	10	4	5
Deductible: \$500	Construction: Wood (Single-wall)	\$ 115	\$ 115	\$ 115	\$ 150	\$ 173	\$ 289	\$ 115	\$ 115
Section II (Liability): \$310,000	Roof: Hip, asphalt shingle	120	124	124	128	132	132	120	124
	Add'l: Primary residence, no claims in 5 yrs.	125	125	125	125	125	125	125	125
		137	139	141	166	195	241	137	139
		138	138	138	152	169	210	138	138
		150	150	150	DNW	DNW	DNW	150	150
		156	157	159	185	241	296	156	157
		187	187	187	286	352	352	187	187
		191	192	194	229	302	375	191	192
		191	191	191	191	191	191	191	191
		204	207	211	246	324	403	204	207
		204	207	211	246	324	403	204	207
		205	214	214	224	232	232	205	214
		207	213	214	226	226	226	207	213
		216	224	224	232	243	243	216	224
		218	218	218	246	301	356	218	218
		218	218	218	238	238	218	218	218
		228	228	228	264	340	415	228	228
		228	228	228	270	356	443	228	228
		236	236	236	236	236	236	236	236
		240	248	249	250	266	266	240	248
		242	242	242	242	242	242	242	242
		254	254	254	301	396	492	254	254
		267	267	267	315	414	511	267	267
		297	297	297	353	465	580	297	297
		298	298	298	298	298	298	298	298
		307	307	307	307	307	307	307	307
		312	312	312	312	440	538	312	312
		351	351	351	351	498	611	351	351
		354	354	354	354	354	354	354	354
		354	354	354	354	354	354	354	354
		406	409	413	490	647	804	406	409
		476	476	476	476	671	824	476	476
		875	875	979	979	1,225	1,225	875	875
		875	875	979	979	1,225	1,225	875	875
		889	889	889	1,057	1,387	1,720	889	889
		889	889	889	1,057	1,387	1,720	889	889
		DNW	DNW	DNW	DNW	DNW	DNW	DNW	DNW

DNW = Does Not Write

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HURRICANE POLICY ASSUMPTIONS		DWELLING CHARACTERISTICS (same as HOMEOWNERS)			
Contents Coverage: \$40,000		DWELLING CHARACTERISTICS (same as HOMEOWNERS)			

NAIC Co. Code	Insurance Company	DEF			
29068	IDS Property Casualty Insurance	5%	\$ 19	\$ 19	\$ 19
10861	Universal Property & Casualty Insurance Co.	2%	52	44	23
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31461	Dorchester Insurance Co	2%	106	50	50
10677	The Cincinnati Insurance Company	2%	128	51	33
12767	Hawaiian Insurance & Guaranty Co. Ltd.	2%	98	53	32
25143	State Farm Fire and Casualty Company	2%	55	55	49
11026	Zephyr Insurance Company	2%	161	57	50
25941	United Services Automobile Association	2%	63	63	63
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12573	Centauri Specialty Insurance Company	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%	563	545	456

^ Hurricane roof clips

^^ Foundation anchors

NEIGHBOR ISLANDS - SAMPLE RENTERS WITH HURRICANE COVERAGE INCLUDED

Assumptions and Dwelling Characteristics Same as Above

Assumptions and Dwelling Characteristics Same as Above		Public Protection Class*						Public Protection Class*					
NAIC Co. Code	Insurance Company	Public Protection Class*											
		4	5	6	7	9	10	4	5	6	7	9	10
10111	American Bankers Insurance Co. of Florida	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242	\$ 242
30104	Hartford Underwriters Insurance Co.	741	741	741	741	1,081	1,333	741	741	741	741	1,081	1,333
18279	Bankers Standard Insurance Company	951	951	951	1,131	1,492	1,853	951	951	951	1,131	1,492	1,853

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.

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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.

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