

A Consumer's Guide to Homeowner's Insurance in the State of Hawaii

Insurance Division, State of Hawaii
 Department of Commerce and Consumer Affairs
 335 Merchant Street, Room 213
 Honolulu, Hawaii 96813
 Phone: 808-586-2809

GENERAL INFORMATION

Homeowner's insurance is not required by law in Hawaii. If your home is mortgaged, however, your lender may require insurance on your home for the duration of your loan. 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. In addition to 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 carefully reading your policy documents. 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.

HOME OWNER'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.
>>>>>>>>>>>> As coverage increases so does your premium price. >>>>>>>>>>>>				

POLICY COVERAGES

Every homeowner's policy, except for HO-4, includes the following six coverages. If your policy's standard coverage is inadequate, endorsement forms may offer specialized coverage to meet your needs.

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

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 (with your agent's assistance, if necessary), the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the emphasis placed on 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 Insurance Division of the Hawaii State 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 HOMEOWNERS PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

HOMEOWNERS POLICY (HO-3)		DWELLING CHARACTERISTICS					
Coverage A: \$250,000 B: 10% of Coverage A C: 50% of Coverage A (ACV) D: 20% of Coverage A Section II (Liability): \$100,000 Deductible: \$500 Rates effective as of July 1, 2012		Year Built: 1980	2005		1990		
		Construction: Wood (Single-wall)	Wood (Double-wall)		Masonry (CMU)		
		Roof: Hip, asphalt shingle	Hip, asphalt shingle		Flat, torched membrane		
		Elevation: 15' above sea-level	15' above sea-level		15' above sea-level		
		Add'l Factors: Primary residence	Primary residence		Primary residence		
		No claims in 5 yrs.	No claims in 5 yrs.		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
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	208	291	174	248	207	295
10805	American Pacific Insurance Company	261	398	174	280	261	392
37265	DTRIC Insurance Company, Ltd.	281	311	196	217	281	311
28487	Farmers Insurance Hawaii, Inc.	304	456	202	318	304	450
10861	Universal Property and Casualty Insurance	213	304	213	304	192	274
41459	Armed Forces Insurance Exchange	254	355	234	327	254	355
15598	Interinsurance Exchange of the Automobile Club	283	346	257	315	283	346
10938	First Security Insurance of Hawaii, Inc.	269	384	269	384	269	384
21105	North River Insurance Company	314	440	289	404	314	440
29068	IDS Property Casualty Ins. Co.	360	455	305	385	305	385
23035	Liberty Mutual Fire Ins. Co.	374	472	307	387	323	417
41742	First Insurance Company of Hawaii, Ltd.	308	440	308	440	308	440
25180	Fidelity National Insurance Company	n/a	n/a	320	n/a	352	n/a
21113	United States Fire Insurance Company	357	501	329	461	357	501
41734	First Indemnity Insurance of Hawaii, Inc.	387	525	367	525	367	525
41726	First Fire and Casualty Insurance of Hawaii, Inc.	387	525	367	525	367	525
25143	State Farm Fire and Casualty Company	440	520	378	448	365	431
19232	Allstate Insurance Company	393	476	393	476	359	453
31348	Crum & Forster Indemnity Company	484	678	484	678	484	678
19615	American Reliable Insurance Company	512	717	486	681	512	717
25941	United Services Automobile Association	548	698	507	645	548	698
25968	USAA Casualty Insurance Company	619	791	573	730	619	791
18600	USAA General Indemnity Company	791	1014	730	935	791	1014

OAHU - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

HURRICANE POLICY		DWELLING CHARACTERISTICS (same as above)						
Replacement Cost: \$250,000 Deductible: DED (below) Rates effective as of July 1, 2012		Construction: Wood (Single-wall)	Wood (Double-wall)		Masonry (CMU)			
		Wind R Devices: None	Hurricane roof clips		Hurricane roof clips			
		R = Resistive	Foundation anchors					
NAIC Co. Code	Insurance Company	DED	Public Protection Class*		Public Protection Class*		Public Protection Class*	
			3	10	3	10	3	10
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	1421	1421	464	464	526	526
10861	Universal Property and Casualty Insurance	2%	1495	1495	595	595	533	533
37273	AXIS Insurance Company	2%	1987	1987	627	627	852	852
25941	United Services Automobile Association	2%	1758	1758	667	667	1201	1201
25180	Fidelity National Insurance Company	1%	n/a	n/a	683	n/a	374	n/a
15598	Interinsurance Exchange of the Automobile Club	2%	1573	1573	745	745	581	581
25968	USAA Casualty Insurance Company	2%	2009	2009	762	762	1372	1372
29068	IDS Property Casualty Ins. Co.	5%	822	822	822	822	822	822
41459	Armed Forces Insurance Exchange	2%	848	848	848	848	466	466
19615	American Reliable Insurance Company	2%	939	939	939	939	939	939
18600	USAA General Indemnity Company	2%	2611	2611	990	990	1784	1784
25143	State Farm Fire and Casualty Company	2%	1240	1240	995	995	918	918

* The 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. On Oahu, your property's PPC is a 3 unless located more than five road miles from a recognized fire station and 1000 feet from a 4" hydrant (PPC 10). Please contact your agent for more information.

THE SAMPLE PREMIUMS VS. YOUR PREMIUMS

The premium cost of your Homeowners 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. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent to obtain quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.



As part of our continuing effort to assist and educate consumers, the Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii.

SAMPLE PREMIUMS vs. YOUR PREMIUMS

The premium cost of your Homeowners 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. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent for quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.

PARTICIPATING INSURERS

This publication includes insurance companies that chose to publish their sample premiums. If your insurer is not listed, they decided not to participate.

SAMPLE PREMIUMS EFFECTIVE AS OF:

July 1, 2012

PUBLIC PROTECTION CLASSIFICATION

* Public Protection Class (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. Please contact your agent to find out which classification applies to your property.

NEIGHBOR ISLAND - SAMPLE ANNUAL HOMEOWNERS PREMIUMS

HOMEOWNERS POLICY (HO-3) ASSUMPTIONS		DWELLING CHARACTERISTIC ASSUMPTIONS																	
Coverage A: \$250,000 B: 10% of Coverage A C: 50% of Coverage A (ACV) D: 20% of Coverage A Section II (Liability): \$100,000 Deductible: \$500		Year Built: 1980 Elevation: 15' above sea-level Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.						Year Built: 2005 Elevation: 15' above sea-level Construction: Wood (Double-wall) Roof: Hip, asphalt shingle Add'l: Primary residence, no claims in 5 yrs.						Year Built: 1990 Elevation: 15' above sea-level Construction: Masonry (CMU) Roof: Flat, torched membrane Add'l: Primary residence, no claims in 5 yrs.					
NAIC Co. Code	Insurance Company	Public Protection Class*						Public Protection Class*						Public Protection Class*					
		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	210	211	213	232	275	295	177	178	179	195	232	248	210	211	213	216	275	295
10805	American Pacific Insurance Company	266	270	274	305	359	398	178	181	184	208	250	280	266	270	274	278	352	392
37265	DTRIC Insurance Company, Ltd.	281	281	281	311	311	311	196	196	196	217	217	217	281	281	281	311	311	311
28487	Farmers Insurance Hawaii, Inc.	309	313	317	354	413	456	205	208	212	240	285	318	309	313	317	321	406	450
10861	Universal Property and Casualty Insurance	215	217	219	222	282	304	215	217	219	222	282	304	194	196	197	199	254	274
41459	Armed Forces Insurance Exchange	254	254	254	279	330	355	234	234	234	257	304	327	254	254	254	254	330	355
10938	First Security Insurance of Hawaii, Inc.	271	274	277	301	356	384	271	274	277	301	356	384	271	274	277	279	356	384
21105	North River Insurance Company	314	314	314	346	408	440	289	289	289	318	374	404	314	314	314	314	408	440
15598	Interinsurance Exchange of the Automobile Club	331	331	350	350	372	388	301	301	319	319	338	353	331	331	350	350	372	388
29068	IDS Property Casualty Ins. Co.	356	367	367	384	403	431	302	311	311	325	341	365	302	311	311	325	341	365
25180	Fidelity National Insurance Company	n/a	n/a	n/a	n/a	n/a	n/a	309	309	309	309	n/a	n/a	340	340	340	340	n/a	n/a
41742	First Insurance Company of Hawaii, Ltd.	310	314	317	346	409	440	310	314	317	346	409	440	310	314	317	321	409	440
23035	Liberty Mutual Fire Ins. Co.	398	406	406	430	454	482	327	333	333	353	373	396	338	350	358	358	382	426
21113	United States Fire Insurance Company	357	357	357	393	465	501	329	329	329	362	427	461	357	357	357	357	465	501
41734	First Indemnity Insurance of Hawaii, Inc.	370	375	379	412	487	525	370	375	379	412	487	525	370	375	379	382	487	525
41726	First Fire and Casualty Insurance of Hawaii, Inc.	370	375	379	412	487	525	370	375	379	412	487	525	370	375	379	382	487	525
19232	Allstate Insurance Company	405	405	432	432	453	476	405	405	432	432	453	476	381	393	405	405	432	453
25143	State Farm Fire and Casualty Company	486	519	519	519	575	575	418	446	446	446	495	495	405	430	430	430	479	479
31348	Crum & Forster Indemnity Company	484	484	484	534	630	678	484	484	484	534	630	678	484	484	484	484	630	678
19615	American Reliable Insurance Company	512	512	512	563	666	717	486	486	486	535	632	681	512	512	512	563	666	717
25941	United Services Automobile Association	548	548	548	598	648	698	507	507	507	553	599	645	548	548	548	548	648	698
25968	USAA Casualty Insurance Company	619	619	619	676	734	791	573	573	573	625	678	730	619	619	619	619	734	791
18600	USAA General Indemnity Company	791	791	791	865	939	1014	730	730	730	798	866	935	791	791	791	791	939	1014

NEIGHBOR ISLAND - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS

HURRICANE POLICY ASSUMPTIONS		DWELLING CHARACTERISTICS ASSUMPTIONS (same as above)																		
Replacement Cost: \$250,000 Deductible: DED (below)		Construction: Wind-Resistive Dev.:	Wood (Single-wall) None						Wood (Double-wall) Hurricane Roof Clips, Foundation Anchors						Masonry (CMU) Hurricane roof clips					
NAIC Co. Code	Insurance Company	PPC	Public Protection Class*						Public Protection Class*						Public Protection Class*					
			4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	1421	1421	1421	1421	1421	1421	464	464	464	464	464	464	526	526	526	526	526	526
10861	Universal Property and Casualty Insurance	2%	1495	1495	1495	1495	1495	1495	595	595	595	595	595	595	533	533	533	533	533	533
37273	AXIS Insurance Company	2%	1987	1987	1987	1987	1987	1987	627	627	627	627	627	627	852	852	852	852	852	852
25941	United Services Automobile Association	2%	1758	1758	1758	1758	1758	1758	667	667	667	667	667	667	1201	1201	1201	1201	1201	1201
25180	Fidelity National Insurance Company	1%	n/a	n/a	n/a	n/a	n/a	n/a	683	683	683	683	n/a	n/a	374	374	374	374	n/a	n/a
15598	Interinsurance Exchange of the Automobile Club	2%	1573	1573	1573	1573	1573	1573	745	745	745	745	745	745	581	581	581	581	581	581
25968	USAA Casualty Insurance Company	2%	2009	2009	2009	2009	2009	2009	762	762	762	762	762	762	1372	1372	1372	1372	1372	1372
29068	IDS Property Casualty Ins. Co.	5%	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822
41459	Armed Forces Insurance Exchange	2%	848	848	848	848	848	848	848	848	848	848	848	848	466	466	466	466	466	466
19615	American Reliable Insurance Company	2%	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939
18600	USAA General Indemnity Company	2%	2611	2611	2611	2611	2611	2611	990	990	990	990	990	990	1784	1784	1784	1784	1784	1784
25143	State Farm Fire and Casualty Company	2%	1240	1240	1240	1240	1240	1240	995	995	995	995	995	995	918	918	918	918	918	918