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.

BASIC FORM (HO-1)

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.

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HOME OWNER'S POLICY FORMS

BROAD FORM (HO-2)

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.

As coverage increases so does your premium price.

SPECIAL FORM (HO-3)

Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiaton, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).

RENTER'S POLICY FORM

CONTENTS BROAD FORM (HO-4)

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.

UNIT-OWNER'S POLICY FORM

CONDO OWNERS FORM (HO-6)

This condominum 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, endorsement forms may offer specialized coverage to meet your needs.

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- 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 **A**: Section 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.
- 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 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 "heath" 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 RENTERS (TENANT) PREMIUMS

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

RENTERS POLICY (HO-4)

Coverage C: \$25,000

D: 20% of Coverage C

Deductible: \$500

Rates effective as of July 1, 2012

DWELLING CHARACTERISTICS

Year Built: 1980
Construction: Wood (Single-wall) Wood

Roof: Hip, asphalt shingle Elevation: 15' above sea-level

Add'l Factors: Primary residence

Wood (**Double-wall**) Hip, asphalt shingle

15' above sea-level
Primary residence
No claims in 5 yrs.

1990 **Masonry** (CMU) Flat, torched membrane

Flat, torched membrane 15' above sea-level Primary residence No claims in 5 yrs.

		No claims	in 5 yrs.	No claims	in 5 yrs.	No claims in 5 yrs.			
NAIC	Insurance Company	Public Pro	tection Class*	Public Prote	ection Class*	Public Prote	ection Class*		
Co. Code	insurance company		3	10	3	10	3	10	
10861	Universal Property and Casualty Insurance		63	129	63	129	63	129	
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)		77	157	77	157	69	118	
15598	Interinsurance Exchange of the Automobile Club		102	116	102	116	102	116	
37265	DTRIC Insurance Company, Ltd.		105	212	105	212	100	169	
25143	State Farm Fire and Casualty Company		109	120	109	120	109	120	
19232	Allstate Insurance Company		124	142	124	142	124	142	
23035	Liberty Mutual Fire Ins. Co.		125	142	125	142	125	142	
25180	Fidelity National Insurance Company		n/a	n/a	135	n/a	135	n/a	
29068	IDS Property Casualty Ins. Co.		150	150	150	150	150	150	
10938	First Security Insurance of Hawaii, Inc.		150	265	150	265	150	199	
41742	First Insurance Company of Hawaii, Ltd.		150	304	150	304	150	229	
10805	American Pacific Insurance Company		153	311	153	311	137	234	
41734	First Indemnity Insurance of Hawaii, Inc.		179	363	179	363	159	272	
41726	First Fire and Casualty Insurance of Hawaii, Inc.		179	363	179	363	159	272	
19615	American Reliable Insurance Company		167	278	185	371	185	371	
28487	Farmers Insurance Hawaii, Inc.		193	392	193	392	172	294	
10111	American Bankers Insurance Company	(H)	203	203	203	203	203	203	
21105	North River Insurance Company		250	325	250	325	250	273	
21113	United States Fire Insurance Company		250	371	250	371	250	310	
25941	United Services Automobile Association		251	251	251	251	251	251	
18600	USAA General Indemnity Company		253	253	253	253	253	253	
31348	Crum & Forster Indemnity Company		278	500	278	500	251	419	
25968	USAA Casualty Insurance Company		301	301	301	301	301	301	
	(H): includes hurricane premium								

OAHU - SAMPLE ANNUAL RENTERS (TENANT) HURRICANE PREMIUMS

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

Н	IURRICANE POLICY	DWELLING CHARACTERISTICS (same as above)													
	tents Coverage: \$25,000 Deductible: DED (below) tive as of July 1, 2012	Constructure Wind R De R = Resist	vices:	•	ngle-wall) one	Hurricane	roof clips on anchors	Masonry (CMU) Hurricane roof clips							
NAIC Co. Code	Insurance Company	1	DED	Public Protection Class* 3 10		Public Prote	Public Protection Class* 3 10		ection Class*						
10861	Universal Property and Casualty Insu	rance	2%	24	24	19	19	11	11						
25180	Fidelity National Insurance Company		1%	n/a	n/a	25	n/a	11	n/a						
25143	State Farm Fire and Casualty Compa	ny	2%	35	35	35	35	31	31						
12502	Dongbu Insurance Co., Ltd. (U.S. Bra	ınch)	2%	97	97	42	42	42	42						
15598	Interinsurance Exchange of the Autor	nobile Club	2%	124	124	59	59	46	46						
29068	IDS Property Casualty Ins. Co.		5%	62	62	62	62	62	62						
19615	American Reliable Insurance Compar	ny	2%	63	63	63	63	63	63						
25941	United Services Automobile Associat	ion	2%	68	68	68	68	68	68						
25968	USAA Casualty Insurance Company		2%	68	68	68	68	68	68						
18600	USAA General Indemnity Company		2%	68	68	68	68	68	68						
37273	AXIS Insurance Company		2%	95	95	75	75	75	75						
10111	American Bankers Insurance Compa	2%	included	included	included	included	included	included							

^{*} 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 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. 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 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. 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.

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 RENTERS (TENANT) PREMIUMS

Construction: Wood (Single-wall)
Roof: Hip, asphalt shingle

Add'l: Primary residence, no claims in 5 yrs

RENTERS POLICY (HO-4) ASSUMPTIONS

Coverage C: \$25,000

D: 20% of Coverage C

Deductible: \$500

DWELLING CHARACTERISTIC ASSUMPTIONS

Year Built: 1980 Elevation: 15' above sea-level Ye

Year Built: 2005 <u>Elevation</u>: 15' above sea-level Construction: Wood (**Double-wall**)

Add'l: Primary residence, no claims in 5 yrs.

Roof: Hip, asphalt shingle

Contruction: Masonry (CMU)

Year Built: 1990

Roof: Flat, torched membrane

Add'I: Primary residence, no claims in 5 yrs.

Elevation: 15' above sea-level

Deductible, \$500			Add 1. Fillinary residence, no claims in 5 yrs.							siderice,		Add 1. Filliary residence, no claims in 5 yrs.										
NAIC	Insurance Company		Pu	olic Prote	ection Cla	ss*			Public Protection Class*							Public Protection Class*						
Co. Code	modranice company		5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10			
10861	Universal Property and Casualty Insurance	64	64	65	77	103	129	64	64	65	77	103	129	64	64	65	77	103	129			
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	77	78	80	94	126	157	77	78	80	94	126	157	70	70	72	72	101	118			
37265	DTRIC Insurance Company, Ltd.	105	105	105	105	169	212	105	105	105	105	169	212	100	100	100	100	159	169			
15598	Interinsurance Exchange of the Automobile Club	105	108	109	109	116	116	105	108	109	109	116	116	105	108	109	109	116	116			
25143	State Farm Fire and Casualty Company	109	113	113	116	120	120	109	113	113	116	120	120	109	113	113	116	120	120			
23035	Liberty Mutual Fire Ins. Co.	125	130	130	135	142	142	125	130	130	135	142	142	125	130	130	135	142	142			
19232	Allstate Insurance Company	128	132	132	133	142	142	128	132	132	133	142	142	128	132	132	133	142	142			
25180	Fidelity National Insurance Company	n/a	n/a	n/a	n/a	n/a	n/a	135	135	135	135	n/a	n/a	135	135	135	135	n/a	n/a			
29068	IDS Property Casualty Ins. Co.	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150			
10938	First Security Insurance of Hawaii, Inc.	150	150	150	159	212	265	150	150	150	159	212	265	150	150	150	150	172	199			
41742	First Insurance Company of Hawaii, Ltd.	151	152	154	183	243	304	151	152	154	183	243	304	150	150	150	150	197	229			
10805	American Pacific Insurance Company	154	155	158	187	250	311	154	156	158	187	250	311	139	140	141	143	203	234			
41734	First Indemnity Insurance of Hawaii, Inc.	179	181	184	218	290	363	179	181	184	218	290	363	162	164	165	167	235	272			
41726	First Fire and Casualty Insurance of Hawaii, Inc.	179	181	184	218	290	363	179	181	184	218	290	363	162	164	165	167	235	272			
19615	American Reliable Insurance Company	167	167	167	200	267	278	185	185	185	222	296	371	185	185	185	222	296	371			
28487	Farmers Insurance Hawaii, Inc.	194	195	197	235	313	392	194	195	197	235	313	392	174	176	178	180	254	294			
10111	American Bankers Insurance Company (H)	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203			
25941	United Services Automobile Association	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247			
18600	USAA General Indemnity Company	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249			
21105	North River Insurance Company	250	250	250	250	263	325	250	250	250	250	263	325	250	250	250	250	250	273			
21113	United States Fire Insurance Company	250	250	250	250	299	371	250	250	250	250	299	371	250	250	250	250	268	310			
31348	Crum & Forster Indemnity Company	278	278	278	278	403	500	278	278	278	278	403	500	251	251	251	251	362	419			
25968	USAA Casualty Insurance Company	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297	297			

NEIGHBOR ISLAND - SAMPLE ANNUAL RENTERS (TENANT)HURRICANE PREMIUMS

HURRIC	ANE POLICY ASSUMPTIONS		DWELLING CHARACTERISTICS ASSUMPTIONS (same as above											re)								
	Coverage: \$25,000 Deductible: DED (below)	Construct Wind-Resistive			W	ood (Si No	ngle-wa one	all)		Hu	Werricane R	ood (Do oof Clips		,	nors		Masonry (CMU) Hurricane roof clips					
NAIC Incurence Company		DE	Public Protection Class*						ass*		Public Protection Class*											
Co. Code	insurance Company	Insurance Company		4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10	
10861	Universal Property and Casualty Insurance		2%	24	24	24	24	24	24	19	19	19	19	19	19	11	11	11	11	11	11	
25180	Fidelity National Insurance Company 1%		1%	n/a	n/a	n/a	n/a	n/a	n/a	25	25	25	25	n/a	n/a	11	11	11	11	n/a	n/a	
25143	State Farm Fire and Casualty Company 29		2%	35	35	35	35	35	35	35	35	35	35	35	35	31	31	31	31	31	31	
12502	Dongbu Insurance Co., Ltd. (U.S. Branch) 29		2%	97	97	97	97	97	97	42	42	42	42	42	42	42	42	42	42	42	42	
15598	Interinsurance Exchange of the Autor	mobile Club	2%	124	124	124	124	124	124	59	59	59	59	59	59	46	46	46	46	46	46	
29068	IDS Property Casualty Ins. Co.		5%	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	
19615	American Reliable Insurance Compa	ny	2%	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	
25941	United Services Automobile Associat	tion	2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	
25968	USAA Casualty Insurance Company		2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	
18600	USAA General Indemnity Company		2%	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	
37273	AXIS Insurance Company		2%	95	95	95	95	95	95	75	75	75	75	75	75	75	75	75	75	75	75	
10111	American Bankers Insurance Compa	iny	2%	(H) = Hu	urricane c	coverage	incl. in H	IO-4 prer	nium	(H) = H	ırricane c	overage	incl. in H	O-4 pren	nium	(H) = Hu	rricane d	coverage	incl. in H	IO-4 prem	nium	