

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. 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	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.
Section II	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 "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 CONDOMINIUM UNIT-OWNERS INSURANCE PREMIUMS - OAHU



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 CONDO UNIT-OWNERS PREMIUMS

OAHU - SAMPLE CONDO UNIT-OWNERS HURRICANE PREMIUMS

HO POLICY (HO-6) ASSUMPTIONS		BUILDING CHARACTERISTICS					
Coverage C: \$25,000 D: 40% of Coverage C Deductible: \$500		Year Built: 1980 Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Elevation: 15' above sea-level Add'l Factors: Primary residence No claims in 5 yrs.	2005 Wood (Double-wall) Hip, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.	1990 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence No claims in 5 yrs.			
Rates effective as of December 1, 2012							
NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
10861	Universal Property & Casualty Insurance Co.	57	117	57	117	52	88
19232	Allstate Insurance Company	78	89	78	89	78	89
15598	Interinsurance Exchange of the Auto Club	81	93	81	93	81	93
41459	Armed Forces Insurance	85	170	85	170	77	128
10677	The Cincinnati Insurance Company	86	175	86	175	77	131
23035	Liberty Mutual Fire Ins Co	89	101	89	101	89	101
10805	American Pacific Insurance Company	92	187	92	187	82	140
26298	Metropolitan Property & Casualty Insurance Co.	92	128	92	128	92	128
25180	Fidelity National Insurance Company	101	112	101	112	101	112
29068	IDS Property Casualty Insurance	108	122	108	122	108	122
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	113	231	113	231	101	173
25941	United Services Automobile Association	113	226	113	226	102	169
28487	Farmers Insurance Hawaii, Inc.	134	274	134	274	121	206
25143	State Farm Fire and Casualty Company	137	151	137	151	137	151
25968	USAA Casualty Insurance Company	143	286	143	286	129	215
37265	DTRIC Insurance Company	150	150	150	150	150	150
10938	First Security Insurance of HI	150	150	150	150	150	150
21105	North River Insurance Co.	150	150	150	150	150	150
41742	First Insurance Company of Hawaii	150	150	150	150	150	150
21113	United States Fire Insurance Co	150	150	150	150	150	150
41734	First Indemnity Insurance of HI	150	150	150	151	150	150
41726	First Fire and Casualty Insurance of HI	150	150	150	151	150	150
31348	Crum & Forster Indemnity Co	150	253	150	253	150	210
19615	American Reliable Insurance Company	150	179	150	239	150	239
12767	Hawaiian Insurance and Guaranty	150	220	150	220	150	179
22845	Island Insurance Company, Limited	150	211	150	211	150	159
11689	Island Premier Insurance Company, Ltd.	150	160	150	160	150	150
22853	Tradewind Insurance Company, Limited	150	179	150	179	150	150
13056	RLI Insurance Company	166	338	166	338	149	254
20281	Federal Insurance Company	173	318	173	318	147	271
20346	Pacific Indemnity Company	173	318	173	318	147	271
10340	Stonington Insurance Company	195	DNW	182	DNW	181	DNW
18600	USAA General Indemnity Company	186	372	186	372	167	279
10759	Universal North America Insurance Company	200	DNW	200	DNW	200	DNW
21873	Fireman's Fund Insurance Company	306	550	306	550	274	461
39500	Fireman's Fund Insurance Company of Hawaii	306	550	306	550	274	461
25623	The Phoenix Insurance Company	385	771	385	771	347	578
25658	The Travelers Indemnity Company	385	771	385	771	347	578

DNW = Does Not Write

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		BUILDING CHARACTERISTICS (same as CONDO OWNERS)				
Replacement Cost: \$250,000 Deductible: DED (below)		Construction: Wood (Single-wall) Wind R Devices: None R = Resistive	Wood (Double-wall) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips		
Rates effective as of December 1, 2012						
NAIC Co. Code	Insurance Company	DED	Premium (\$)	Premium (\$)	Premium (\$)	
10861	Universal Property & Casualty Insurance Co.	2%	22	17	10	
10677	The Cincinnati Insurance Company	2%	28	28	28	
25180	Fidelity National Insurance Company	1%	33	33	14	
12573	Centauri Specialty Insurance Company	2%	152	39	44	
25143	State Farm Fire and Casualty Company	2%	49	49	43	
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	127	55	55	
25941	United Services Automobile Association	2%	112	60	76	
29068	IDS Property Casualty Insurance	5%	64	64	34	
15598	Interinsurance Exchange of the Auto Club	2%	145	68	53	
41459	Armed Forces Insurance	2%	71	71	30	
19615	American Reliable Insurance Company	2%	73	73	73	
37273	Axis Insurance Company	2%	117	75	75	
25968	USAA Casualty Insurance Company	2%	141	77	97	
18600	USAA General Indemnity Company	2%	184	100	125	
12767	Hawaiian Insurance and Guaranty	2%	100	100	100	
10799	GeoVera Insurance Company	2%	119	100	100	
10340	Stonington Insurance Company	2%	243	105	78	
13056	RLI Insurance Company	2%	130	115	113	
11026	Zephyr Insurance Company	2%	165	150	150	
25623	The Phoenix Insurance Company	2%	200	200	200	
25658	The Travelers Indemnity Company	2%	200	200	200	

OAHU - SAMPLE CONDO UNIT-OWNERS AND HURRICANE COMBINED PREMIUMS

		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's Underwriters Insurance Company	221	398	221	398	199	334
18279	Bankers Standard Insurance Company	1205	2410	1205	2410	1869	3615

<<<<<< **These sample premiums INCLUDE Hurricane coverage** >>>>>>

SAMPLE PREMIUM VS. YOUR CURRENT OR PROSPECTIVE CONDOMINIUM UNIT-OWNERS PREMIUM

Your Homeowners 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.

