

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) 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.	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.	SPECIAL FORM (HO-3) 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).	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.	CONDO OWNERS FORM (HO-6) 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.



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 CONDOMINIUM UNIT-OWNERS PREMIUMS

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

CONDO UNIT-OWNERS POLICY (HO-6)		BUILDING CHARACTERISTICS					
Coverage C: \$25,000 D: 40% of Coverage C 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
10861	Universal Property and Casualty Insurance	57	117	57	117	57	117
41459	Armed Forces Insurance Exchange	60	121	60	121	54	91
19232	Allstate Insurance Company	78	89	78	89	78	89
23035	Liberty Mutual Fire Ins. Co.	89	101	89	101	89	101
10805	American Pacific Insurance Company	92	187	92	187	82	140
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	113	231	95	194	85	145
37265	DTRIC Insurance Company, Ltd.	100	142	100	142	100	107
25180	Fidelity National Insurance Company	n/a	n/a	101	n/a	101	n/a
29068	IDS Property Casualty Ins. Co.	108	122	108	122	108	122
15598	Interinsurance Exchange of the Automobile Club	108	122	108	122	108	122
28487	Farmers Insurance Hawaii, Inc.	134	274	134	274	121	206
25143	State Farm Fire and Casualty Company	137	151	137	151	137	151
10938	First Security Insurance of Hawaii, Inc.	150	159	150	159	150	150
41734	First Indemnity Insurance of Hawaii, Inc.	150	218	150	218	150	164
41726	First Fire and Casualty Insurance of Hawaii, Inc.	150	218	150	218	150	164
41742	First Insurance Company of Hawaii, Ltd.	150	183	150	183	150	150
19615	American Reliable Insurance Company	150	179	150	239	150	239
21105	North River Insurance Company	250	250	250	250	250	250
21113	United States Fire Insurance Company	250	250	250	250	250	250
31348	Crum & Forster Indemnity Company	250	253	250	253	250	250
25941	United Services Automobile Association	297	430	297	430	284	363
25968	USAA Casualty Insurance Company	333	501	333	501	316	417
18600	USAA General Indemnity Company	383	602	383	602	361	492

OAHU - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS HURRICANE PREMIUMS

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

HURRICANE POLICY		BUILDING CHARACTERISTICS (same as above)						
Contents Coverage: \$25,000 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	PPC	Public Protection Class*		Public Protection Class*		Public Protection Class*	
			3	10	3	10	3	10
10861	Universal Property and Casualty Insurance	2%	22	22	17	17	10	10
25180	Fidelity National Insurance Company	1%	n/a	n/a	33	n/a	14	n/a
41459	Armed Forces Insurance Exchange	2%	35	35	35	35	15	15
25143	State Farm Fire and Casualty Company	2%	49	49	49	49	43	43
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	127	127	55	55	55	55
29068	IDS Property Casualty Ins. Co.	5%	64	64	64	64	64	64
15598	Interinsurance Exchange of the Automobile Club	2%	64	64	64	64	64	64
19615	American Reliable Insurance Company	2%	73	73	73	73	73	73
37273	AXIS Insurance Company	2%	111	111	83	83	75	75
25941	United Services Automobile Association	2%	112	112	87	87	76	76
25968	USAA Casualty Insurance Company	2%	141	141	110	110	97	97
18600	USAA General Indemnity Company	2%	184	184	143	143	125	125

* 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 Condo Unit-Owners 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 Condo Unit-Owners 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 CONDOMINIUM UNIT-OWNERS PREMIUMS																				
CONDO OWNERS POLICY (HO-6) ASSUMPTIONS			BUILDING CHARACTERISTIC ASSUMPTIONS																	
Coverage C: \$250,000 D: 40% of Coverage C			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	Deductible: \$500	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
10861	Universal Property and Casualty Insurance		58	59	59	70	94	117	58	59	59	70	94	117	58	59	59	70	94	117
41459	Armed Forces Insurance Exchange		60	60	60	72	97	121	60	60	60	72	97	121	54	54	54	54	78	91
15598	Interinsurance Exchange of the Automobile Club		78	80	80	81	86	86	78	80	80	81	86	86	78	80	80	81	86	86
19232	Allstate Insurance Company		81	84	84	84	89	89	81	84	84	84	89	89	81	84	84	84	89	89
23035	Liberty Mutual Fire Ins. Co.		89	93	93	96	101	101	89	93	93	96	101	101	89	93	93	96	101	101
10805	American Pacific Insurance Company		93	94	95	112	150	187	93	94	95	112	150	187	83	84	85	86	122	158
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)		114	115	116	139	185	231	96	96	97	117	155	194	85	86	87	90	126	145
37265	DTRIC Insurance Company, Ltd.		100	100	100	100	114	142	100	100	100	100	114	142	100	100	100	100	100	107
25180	Fidelity National Insurance Company		n/a	n/a	n/a	n/a	n/a	n/a	101	101	101	101	n/a	n/a	101	101	101	101	n/a	n/a
29068	IDS Property Casualty Ins. Co.		108	112	112	118	122	122	108	112	112	118	122	122	108	112	112	118	122	122
28487	Farmers Insurance Hawaii, Inc.		135	137	139	164	219	274	135	137	139	164	219	274	122	124	125	127	178	206
25143	State Farm Fire and Casualty Company		137	141	141	144	151	151	137	141	141	144	151	151	137	141	141	144	151	151
10938	First Security Insurance of Hawaii, Inc.		150	150	150	150	150	159	150	150	150	150	150	159	150	150	150	150	150	150
41734	First Indemnity Insurance of Hawaii, Inc.		150	150	150	150	174	218	150	150	150	150	174	218	150	150	150	150	150	164
41726	First Fire and Casualty Insurance of Hawaii, Inc.		150	150	150	150	174	218	150	150	150	150	174	218	150	150	150	150	150	164
41742	First Insurance Company of Hawaii, Ltd.		150	150	150	150	150	183	150	150	150	150	150	183	150	150	150	150	150	150
19615	American Reliable Insurance Company		150	150	150	150	172	179	150	150	150	150	192	239	150	150	150	150	192	239
21105	North River Insurance Company		250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
21113	United States Fire Insurance Company		250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
31348	Crum & Forster Indemnity Company		250	250	250	250	250	253	250	250	250	250	250	253	250	250	250	250	250	250
25941	United Services Automobile Association		297	297	297	324	377	430	297	297	297	324	377	430	284	284	284	284	337	363
25968	USAA Casualty Insurance Company		333	333	333	366	434	501	333	333	333	366	434	501	316	316	316	316	383	417
18600	USAA General Indemnity Company		383	383	383	427	514	602	383	383	383	427	514	602	361	361	361	361	449	492

NEIGHBOR ISLAND - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS HURRICANE PREMIUMS																				
HURRICANE POLICY ASSUMPTIONS			BUILDING CHARACTERISTICS ASSUMPTIONS (same as above)																	
Contents Coverage: \$25,000 Deductible: DED (below)			Construction: Wood (Single-wall) None					Wood (Double-wall) Hurricane Roof Clips, Foundation Anchors					Masonry (CMU) Hurricane roof clips							
NAIC Co. Code	Insurance Company	DED	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
10861	Universal Property and Casualty Insurance	2%	22	22	22	22	22	22	17	17	17	17	17	17	10	10	10	10	10	10
25180	Fidelity National Insurance Company	1%	n/a	n/a	n/a	n/a	n/a	n/a	33	33	33	33	n/a	n/a	14	14	14	14	n/a	n/a
41459	Armed Forces Insurance Exchange	2%	35	35	35	35	35	35	35	35	35	35	35	35	15	15	15	15	15	15
25143	State Farm Fire and Casualty Company	2%	49	49	49	49	49	49	49	49	49	49	49	49	43	43	43	43	43	43
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	2%	127	127	127	127	127	127	55	55	55	55	55	55	55	55	55	55	55	55
29068	IDS Property Casualty Ins. Co.	5%	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
15598	Interinsurance Exchange of the Automobile Club	2%	145	145	145	145	145	145	68	68	68	68	68	68	53	53	53	53	53	53
19615	American Reliable Insurance Company	2%	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73
37273	AXIS Insurance Company	2%	111	111	111	111	111	111	83	83	83	83	83	83	75	75	75	75	75	75
25941	United Services Automobile Association	2%	112	112	112	112	112	112	87	87	87	87	87	87	76	76	76	76	76	76
25968	USAA Casualty Insurance Company	2%	141	141	141	141	141	141	110	110	110	110	110	110	97	97	97	97	97	97
18600	USAA General Indemnity Company	2%	184	184	184	184	184	184	143	143	143	143	143	143	125	125	125	125	125	125