

---

# A BILL FOR AN ACT

RELATING TO INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new part to article 10E to be appropriately designated and to read as follows:

**"PART . COVERAGE; POST-DISASTER;**

**MINIMUM REQUIREMENTS**

**§431:10E- Claims for additional living expenses under homeowners insurance policies; states of emergency.** (a) In the event of a loss under a homeowners insurance policy issued or renewed on or after January 1, 2026, for which the insured has made a claim for additional living expenses, the insurer shall provide the insured with a list of items that the insurer believes may be covered under the policy as additional living expenses. The list may include a statement that the list is not intended to include all items covered under the policy but only those that are commonly claimed. Each insurer may use a list developed by the commissioner.



1 (b) If a covered loss occurs during a state of emergency  
2 declared pursuant to section 127A-14, coverage for additional  
3 living expenses shall be for a period of no less than twenty-four  
4 months from the inception of the loss; provided that the  
5 coverage for additional living expenses shall be subject to  
6 other policy provisions. An insurer shall grant an extension of  
7 up to twelve additional months, for a total of thirty-six  
8 months, if an insured acts in good faith and is reasonably  
9 delayed due to a lack of necessary construction materials or  
10 available contractors to perform the necessary work.

11 (c) No policy that provides coverage for additional living  
12 expenses shall limit the policyholder's right to recovery if the  
13 insured premises is rendered uninhabitable by a covered peril at  
14 the insured premises. An insurer may, in lieu of making living  
15 expense payments, provide a reasonable alternative remedy that  
16 addresses the property condition that precludes reasonable  
17 habitation of the insured premises. The additional living  
18 expense coverage pursuant to this section shall not apply to any  
19 utility's public safety power shutdown event involving the  
20 deenergization of a portion of the electrical distribution or  
21 transmission system to reduce the risk of wildfire ignition.



(d) For a loss that is otherwise not subject to subsection (b) or (c), in the event of a state of emergency declared pursuant to section 127A-14 that is related to a covered peril and accompanied by an order of civil authority restricting access to the applicable premises, additional living expenses coverage shall be provided for at least two weeks. Additional two-week extensions shall be provided to a policyholder for good cause; provided that each extension shall be subject to any other applicable policy provision.

**§431:10E- Total loss of contents; contents coverage; states of emergency.** In the event of a covered total loss of a primary dwelling under a residential property insurance policy resulting from a state of emergency declared pursuant to section 127A-14, if the residence was furnished at the time of the loss, the insurer shall offer a payment under the contents coverage in an amount no less than thirty per cent of the policy limit applicable to the covered dwelling structure, up to a maximum of two hundred fifty thousand dollars, without requiring the insured to file an itemized claim.

**§431:10E- Loss due to emergencies; minimum requirements.** (a) A homeowners insurance policy shall not



1 limit or deny a payment of the building code upgrade cost or a  
2 payment of any extended replacement cost available under the  
3 policy coverage for a policyholder's structure that was a total  
4 loss on the basis that the policyholder decided to rebuild in a  
5 new location or to purchase an existing structure in a new  
6 location if the policy otherwise covers the replacement cost or  
7 building code upgrade cost; provided that the measure of  
8 indemnity shall not exceed the replacement cost, including the  
9 upgrade costs and extended replacement cost for repairing,  
10 rebuilding, or replacing the structure at the original location  
11 of the loss.

12 (b) If a homeowners insurance policy requires a  
13 policyholder to repair, rebuild, or replace damaged or lost  
14 property in order to collect the full replacement cost for the  
15 property, the insurer, subject to the policy limits, shall:

16 (1) Allow the policyholder at least thirty-six months to  
17 submit receipts and invoices for the replacement costs  
18 of the insured owner-occupied residence. For the  
19 purposes of this paragraph, the thirty-six-month period  
20 shall begin on the date upon which the insurer



1 provides the initial payment toward the actual cash  
2 value of the damage or loss; and

3 (2) Provide that, in addition to the period described in  
4 paragraph (1), the policyholder has the option to  
5 twice extend the period by six months if the  
6 policyholder, acting in good faith and with reasonable  
7 diligence, encounters unavoidable delays in obtaining  
8 a construction permit, lacks necessary construction  
9 materials, lacks available contractors to perform  
10 necessary work, or encounters other circumstances  
11 beyond the policyholder's control. This paragraph  
12 shall not be construed to prohibit an insurer from  
13 allowing a policyholder additional time to collect the  
14 full replacement cost for lost or damaged property or  
15 for additional living expenses."

16 SECTION 2. This Act shall take effect on July 1, 3000, and  
17 shall apply to all policies of property and casualty insurance  
18 issued or renewed on or after the effective date of this Act.



**Report Title:**

Property and Casualty Insurance; Homeowners Insurance; Pre- and Post-Disaster Protections

**Description:**

Establishes requirements for property and casualty insurers and policies for pre- and post-disaster protections. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

