
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

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

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

5 **MINIMUM REQUIREMENTS**

6 **§431:10E- Claims for additional living expenses under**
7 **homeowners insurance policies; states of emergency.** (a) In the
8 event of a loss under a homeowners insurance policy issued or
9 renewed on or after January 1, 2026, for which the insured has
10 made a claim for additional living expenses, the insurer shall
11 provide the insured with a list of items that the insurer
12 believes may be covered under the policy as additional living
13 expenses. The list may include a statement that the list is not
14 intended to include all items covered under the policy but only
15 those that are commonly claimed. Each insurer may use a list
16 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.



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

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

20 **§431:10E- Loss due to emergencies; minimum**
21 **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.

