



1 "Owner-occupied residence" means a residence that is  
2 occupied primarily for the use of the owner and owner's  
3 designees. "Owner-occupied residence" includes an  
4 owner-occupied primary residence but does not include any  
5 property that is insured under a commercial insurance or  
6 agribusiness policy.

7 "Recoverable depreciation" means the difference between the  
8 cost to replace insured property and the actual cash value of  
9 the property.

10 **§431:10E- Homeowners insurance policies; applicability**  
11 **of party.** In offering, issuing, or renewing a homeowners  
12 insurance policy in the State, an insurer shall comply with the  
13 minimum requirements in this part concerning coverage provided  
14 under the policy to protect policyholders from damages that  
15 occur in the event of a total loss of an owner-occupied  
16 residence, including the contents of the owner-occupied  
17 residence, due to a catastrophic disaster.

18 **§431:10E- Notice requirements.** (a) Prior to  
19 discontinuation of insurance coverage, an insurer shall respond  
20 to an insured's request for a new or renewal policy within at  
21 least sixty days before the end of the insured's policy.



1 (b) Insurers shall automatically issue a loss run report  
2 to the policy holder at the end of each policy year.

3 **§431:10E- Loss due to catastrophic disaster; minimum**  
4 **requirements.** (a) A homeowners insurance policy shall not  
5 limit or deny a payment of the building code upgrade cost or a  
6 payment of any extended replacement cost available under the  
7 policy coverage for a policyholder's structure that was a total  
8 loss on the basis that the policyholder decided to rebuild in a  
9 new location or to purchase an existing structure in a new  
10 location if the policy otherwise covers the replacement cost or  
11 building code upgrade cost; provided that the measure of  
12 indemnity shall not exceed the replacement cost, including the  
13 upgrade costs and extended replacement cost for repairing,  
14 rebuilding, or replacing the structure at the original location  
15 of the loss.

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

20 (1) Allow the policyholder at least thirty-six months to  
21 submit receipts and invoices for the replacement costs



1 of the insured owner-occupied residence. For the  
2 purposes of this paragraph, the thirty-six month  
3 period shall begin on the date upon which the insurer  
4 provides the initial payment toward the actual cash  
5 value of the damage or loss; and

6 (2) Provide that, in addition to the period described in  
7 paragraph (1), the policyholder has the option to  
8 twice extend the period by six months if the  
9 policyholder, acting in good faith and with reasonable  
10 diligence, encounters unavoidable delays in the  
11 approval for, or reconstruction of, the owner-occupied  
12 residence that are beyond the control of the  
13 policyholder. Circumstances beyond the control of the  
14 policyholder include obtaining a construction permit,  
15 lack of necessary construction materials, or lack of  
16 available contractors to perform necessary work. This  
17 paragraph shall not be construed to prohibit an  
18 insurer from allowing a policyholder additional time  
19 to collect the full replacement cost for lost or  
20 damaged property or for additional living expenses.



1 (c) The policy shall include additional living expense  
2 coverage to apply in the event of a loss due to a catastrophic  
3 disaster. Notwithstanding any other law to the contrary,  
4 additional living expense coverage shall be available for a  
5 period of at least twenty-four months, and the insurer shall  
6 offer the policyholder the opportunity to twice extend the  
7 period by six months if the policyholder, acting in good faith  
8 and with reasonable diligence, encounters a delay or delays in  
9 the approval for, or reconstruction of, the owner-occupied  
10 residence that are beyond the control of the policyholder.  
11 Circumstances beyond the control of the policyholder include  
12 obtaining the necessary permit approvals for, or reconstruction  
13 of, the insured owner-occupied residence, lack of necessary  
14 construction materials, or lack of available contractors to  
15 perform the necessary work.

16 (d) The policy shall provide that, to replace personal  
17 property and receive recoverable depreciation on that property,  
18 an insurer shall allow the policyholder the greater of:

19 (1) At least three hundred sixty-five days after the  
20 expiration of additional living expense coverage; or



1           (2) Thirty-six months after the insurer provides the  
2           policyholder the first payment toward the actual cash  
3           value of the loss.

4           (e) The policy shall provide that the insurer shall pay  
5           the policyholder for the loss of use of the insured property  
6           within twenty days after the insurer receives documentation of  
7           the loss. The documentation may include a signed lease that  
8           obligates the policyholder to pay for temporary replacement  
9           housing; provided that:

10          (1) If a policyholder provides a signed lease as  
11          documentation, the insurer may pay the policyholder in  
12          monthly or other increments, in accordance with the  
13          terms of the lease; and

14          (2) Alternatively, an insurer may provide advance rent  
15          payments for housing for the policyholder, family  
16          members, livestock, and pets, as necessary.

17          (f) The policy shall provide that the policyholder may  
18          either:

19          (1) Replace the insured owner-occupied residence at the  
20          current location or another location; provided that,  
21          in either case, the calculation of the replacement



1 cost of the insured owner-occupied residence shall not  
2 include consideration of the value of the land upon  
3 which the replacement residence is located; or

4 (2) Use the proceeds from the policy to purchase an  
5 existing residence at a new location, in which case  
6 the calculation of the replacement cost of the insured  
7 owner-occupied residence shall not include  
8 consideration of the value of the land upon which the  
9 existing residence is located.

10 (g) The policy shall allow a policyholder to use claims  
11 payments resulting from coverage against the loss of  
12 outbuildings, dwelling extensions, and other structures to pay  
13 the costs of a replacement residence if the coverage limit that  
14 applies to the policyholder's owner-occupied residence is  
15 insufficient to pay for rebuilding or replacing the  
16 owner-occupied residence. Any claims payments for losses  
17 pursuant to this subsection for which replacement cost coverage  
18 is applicable shall be for the full replacement value of the  
19 loss, without requiring actual replacement of the other  
20 structures. Claims payments for other structures that exceed  
21 the amount applied toward the necessary cost to rebuild or



1 replace the damaged or destroyed owner-occupied residence shall  
2 be paid according to the terms of the policy.

3 (h) Within a reasonable amount of time after receiving a  
4 claim under an issued policy, an insurer shall provide to the  
5 policyholder:

- 6 (1) Appropriate contact information that allows for direct  
7 contact with either an employee of the insurer or a  
8 representative who is capable of elevating complaints  
9 or inquiries to an employee of the insurer;
- 10 (2) At least one means of communication during regular  
11 business hours; and
- 12 (3) A written status report if, within a six-month period,  
13 the policyholder is assigned a third or subsequent  
14 adjuster to be primarily responsible for a claim. The  
15 written status report shall include a summary of any  
16 decisions or actions that are substantially related to  
17 the disposition of a claim, including the amount of  
18 losses to structures or contents, the retention or  
19 consultation of design or construction professionals,  
20 the amount of coverage for losses to structures or  
21 contents, and all items of dispute.



1           **§431:10E-       Total loss of furnished owner-occupied**  
2 **residence.** (a) If a homeowners insurance policyholder  
3 experiences a total loss of the contents of an owner-occupied  
4 residence that was documented as being furnished at the time of  
5 loss because of a catastrophic disaster, the insurer shall:

6           (1) Notwithstanding any other law or provision of the  
7 insurance policy to the contrary, offer the  
8 policyholder a minimum of sixty-five per cent, or a  
9 larger per cent by mutual agreement of the  
10 policyholder and insurer, of the limit of the contents  
11 coverage indicated in the declaration page of the  
12 policy without requiring the policyholder to submit a  
13 written inventory of the contents;

14           (2) If a policyholder receives the depreciated value of  
15 contents insured under a policy, the insurer shall  
16 make available to the insured the methodology used for  
17 determining the depreciated value of the insured  
18 contents;

19           (3) Notify the policyholder that:



- 1 (A) Acceptance of the money described in paragraph  
2 (1) does not change the benefits available under  
3 the policy;
- 4 (B) Additional money may be available if the  
5 policyholder submits an inventory; and
- 6 (C) The insurer is required, pursuant to  
7 paragraph (2) to disclose its methodology for  
8 determining the depreciated value of the contents  
9 of insured property;
- 10 (4) Provide payment for covered costs associated with the  
11 removal of debris within sixty days after receiving an  
12 invoice, receipt, or other documentation indicating  
13 the date and cost of the removal of the debris;  
14 provided that, in cases where debris removal is  
15 conducted by, or in coordination with, governmental  
16 entities, payment for covered costs for removal of  
17 debris shall be provided within a reasonable amount of  
18 time once the amount available for debris has been  
19 agreed to by all parties; and
- 20 (5) Provide payment for any covered loss of trees, shrubs,  
21 and landscaping within thirty days after the insurer



1 receives documentation of the loss, such as  
 2 documentation from a landscaping company showing the  
 3 number and nature of trees, shrubs, and landscaping  
 4 features damaged or destroyed.

5 (b) If the policyholder submits an inventory of personal  
 6 property losses in an amount that exceeds the amount paid to the  
 7 policyholder pursuant to subsection (a)(1), the insurer shall:

8 (1) Request any additional information concerning the  
 9 inventory no later than thirty days after receiving  
 10 the inventory; and

11 (2) Provide payment for any covered and undisputed items  
 12 within thirty days after receiving the inventory.

13 (c) The commissioner shall adopt rules to establish a  
 14 simple process for policyholders to submit an inventory for  
 15 personal property losses and expedite reimbursement for the  
 16 losses.

17 **§431:10E- Rules.** The commissioner may adopt rules  
 18 pursuant to chapter 91 necessary to implement this part."

19 SECTION 2. There is appropriated out of the general  
 20 revenues of the State of Hawaii the sum of \$ or so  
 21 much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal  
2 year 2026-2027 for the implementation of this Act, including the  
3 establishment of one full-time equivalent (1.0 FTE) position.

4 The sums appropriated shall be expended by the department  
5 of commerce and consumer affairs for the purposes of this Act.

6 SECTION 3. This Act does not affect rights and duties that  
7 matured, penalties that were incurred, and proceedings that were  
8 begun before its effective date.

9 SECTION 4. This Act shall take effect on July 1, 2050;  
10 provided that section 1 shall apply to all homeowners insurance  
11 policies issued or renewed after December 31, 2025.



**Report Title:**

Property Insurance; Insured Losses; Catastrophic Disasters;  
Mandatory Coverage; Appropriations

**Description:**

Requires insurers offering homeowners insurance policies to  
comply with certain minimum requirements in cases of losses of  
owner-occupied residences due to a catastrophic disaster.  
Appropriates funds. Effective 7/1/2050. (SD1)

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not legislation or evidence of legislative intent.*

