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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1       SECTION 1. The legislature finds that insurers doing  
2 business in the State are required to provide written notice to  
3 their customers on cancellation, but the current notice  
4 requirement of ten days is unrealistic given the state of the  
5 property casualty insurance market in Hawaii. Requiring  
6 insurers to give notice at least twenty days before policy  
7 cancellation ensures that policyholders have sufficient time to  
8 secure alternative coverage and mitigates potential disruptions.

9       The legislature further finds that a mandate for certified  
10 mail delivery provides verifiable proof of notice, thus reducing  
11 disputes and enhancing accountability.

12       The legislature also finds that extending the notice period  
13 promotes greater clarity and fairness in insurer-policyholder  
14 relationships by establishing clear expectations and legal  
15 assurances, thereby enabling consumers to make informed  
16 decisions regarding their insurance coverage. To modernize and  
17 streamline these processes, insurers may use electronic



1 certified mailing, such as e-certified mail, to maintain  
2 delivery verification while reducing administrative burdens and  
3 costs. Recognizing the operational adjustments required to meet  
4 these new standards, this Act provides for phased implementation  
5 to allow insurers sufficient time to adapt. By enacting this  
6 measure, the legislature emphasizes the importance of consumer  
7 protection while fostering transparency, accountability, and  
8 fairness in the insurance industry.

9 The purpose of this Act is to increase the notice period  
10 for a property insurer to notify a policyholder of a  
11 cancellation, including cancellation due to nonpayment, of a  
12 policy of insurance on property used for residential purposes,  
13 including multi-family residential purposes.

14 SECTION 2. Section 431:10-226.5, Hawaii Revised Statutes,  
15 is amended to read as follows:

16 "[~~§~~§431:10-226.5[~~§~~] Notice of cancellation or  
17 nonrenewal[~~—In~~]; notice of cancellation or nonrenewal for  
18 policies of property insurance. (a) Except as provided in  
19 subsection (b), in the case of cancellation of a policy, the  
20 insurer shall give written notice to the insured [~~not~~] no fewer  
21 than ten days [~~prior to~~] before the effective date of



1 cancellation. For nonrenewal of a policy, the insurer shall  
2 give written notice to the insured [~~not~~] no fewer than thirty  
3 days [~~prior to~~] before the effective date of nonrenewal. If  
4 under title 24 or a policy, a longer time period is required for  
5 a notice of cancellation or nonrenewal for the policy, the  
6 longer period shall be applicable. Cancellation or nonrenewal  
7 shall not be deemed valid unless evidence of mailing is  
8 provided.

9 (b) This subsection shall only apply to policies of  
10 insurance on property used for residential purposes, including  
11 multi-family residential properties. In the case of  
12 cancellation of a policy, the property insurer shall give  
13 written notice to the insured no fewer than twenty days prior to  
14 the effective date of cancellation. In the case of cancellation  
15 of a policy due to nonpayment of premium or material  
16 representation, the property insurer shall give written notice  
17 to the insured no fewer than ten days before the effective date  
18 of the cancellation. For nonrenewal of a policy, the property  
19 insurer shall give written notice to the insured no fewer than  
20 thirty days before the effective date of nonrenewal. If under  
21 title 24 or a policy, a longer time period is required for a



notice of cancellation or nonrenewal for the policy, the longer period shall be applicable; provided that the longer period shall be applicable only to the insurer. Cancellation or nonrenewal shall not be deemed valid unless evidence of certified, e-certified, or electronic mailing is provided."

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

SECTION 4. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of article I, section 10, of the United States Constitution or the Hawaii State Constitution.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 3000; provided that section 2 shall take effect on January 1, 2026.



**Report Title:**

Insurance; Property; Notice; Cancellation; Cancellation Due to Nonpayment

**Description:**

Beginning 1/1/2026, amends the notice period for a property insurer to notify a policyholder of a cancellation, including cancellation due to nonpayment, of a policy of property insurance. Effective 7/1/3000. (HD1)

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