

JAN 23 2026

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# A BILL FOR AN ACT

RELATING TO PROPERTY INSURANCE.

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

1 SECTION 1. The legislature finds that property insurance  
2 is critical to the stability of Hawaii's families and  
3 communities. Property insurance policies protect the State's  
4 homeowners from catastrophic losses caused by wildfires,  
5 hurricanes, tsunami, volcanic eruptions, and other disasters.  
6 When insurers elect to non-renew policies without providing  
7 notice or an explanation, homeowners are left vulnerable to  
8 coverage gaps and may be forced to seek out less than ideal  
9 options, like Fair Access to Insurance Requirements plans. Some  
10 homeowners may become uninsured.

11 The legislature notes that other states, including  
12 California, Florida, North Carolina, and Texas, have enacted  
13 legal protections for policyholders against unexpected  
14 non-renewals. These protections require insurers to give  
15 policyholders prior notice of, and clear reasons for, the  
16 insurer's intent to non-renew. Some states also require that  
17 policyholders be given an opportunity to resolve any issues



1 prior to the policy's expiration. The legislature believes that  
2 this opportunity to resolve the issue is essential, because many  
3 non-renewals occur based on repair issues, documentation gaps,  
4 underwriting concerns, or other issues that are correctable.  
5 The legislature recognizes that, once a policyholder is dropped  
6 by an insurer, it becomes more difficult and expensive for the  
7 policyholder to obtain new insurance. Providing an opportunity  
8 to resolve any issues will allow homeowners to take corrective  
9 action and to maintain continuous coverage, thereby reducing  
10 instability in both individual households and the broader  
11 insurance market.

12 The legislature also notes that requiring insurers to  
13 provide policyholders with notice and an opportunity to resolve  
14 any concerns does not increase the insurer's costs. Insurers  
15 already evaluate risks and set premiums based on established  
16 underwriting practices. Providing homeowners with clear reasons  
17 for a non-renewal and sufficient time to address them improves  
18 transparency without creating new costs or liabilities for the  
19 insurer.

20 Accordingly, the purpose of this Act is to require insurers  
21 intending to non-renew a property insurance policy to provide



1 the policyholder with timely notice, factual reasons, and an  
2 opportunity to address any correctable issues.

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

6 "§431:10E- Intent to non-renew; notice to insured. (a)

7 If an insurer intends to non-renew a property insurance policy,  
8 the insurer shall provide written notice to the insured at least  
9 sixty days before the policy expires. The notice shall:

10 (1) Include the specific factual reasons for the  
11 non-renewal;  
12 (2) Provide clear instructions for how the insured can  
13 address any stated reasons; and  
14 (3) Be delivered by first-class mail, electronic  
15 transmission, or another reliable method that provides  
16 proof of delivery.

17 (b) If the reason for non-renewal is correctable, the  
18 insurer shall provide the insured a reasonable opportunity to  
19 make the correction before the policy expires.

20 (c) Correctable issues shall include:  
21 (1) Completing home repairs or maintenance;



- 1        (2) Providing updated documentation or proof of occupancy;
- 2        (3) Addressing underwriting concerns, such as the removal
- 3        of specific hazards; or
- 4        (4) Resolving administrative or reporting deficiencies.
- 5        (d) If the insured makes the required corrections prior to
- 6        the policy's expiration date, the insurer shall rescind the
- 7        notice of non-renewal and renew the policy under the existing
- 8        terms and conditions, subject to any lawful premium adjustments.
- 9        (e) This section shall not apply if the insured:
- 10       (1) Fails to pay the policy premium; or
- 11       (2) Engages in fraud or a material misrepresentation
- 12       related to the insurance policy.
- 13       (f) Except as provided in subsection (e), if an insurer
- 14       fails to comply with this section, the policy:
- 15       (1) Shall remain in effect for an additional sixty days
- 16       after the date that the policyholder is given notice
- 17       pursuant to this section; or
- 18       (2) At the insured's request, shall be renewed for an
- 19       additional term of equal length, and under the
- 20       existing terms and conditions, subject to any lawful
- 21       premium adjustments;



1 provided that the insured shall continue to meet all obligations  
2 under the policy, including making timely premium payments."

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

6 SECTION 4. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: 



# S.B. NO. 2965

**Report Title:**

Property Insurance; Non-Renewal; Notice; Opportunity to Correct

**Description:**

Requires insurers intending to non-renew a property insurance policy to provide the insured with timely notice, factual reasons, and an opportunity to address any correctable issues.

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