

JAN 23 2026

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 a single wildfire,
2 hurricane, tsunami, volcanic eruption, or other catastrophic
3 disaster can destroy every article of clothing, furniture,
4 appliances, and irreplaceable personal items in a household.

5 The legislature further finds that requiring disaster
6 survivors to list and document every lost item places an
7 unreasonable burden on these victims, who are already
8 traumatized by the loss of their homes and communities.
9 Disaster survivors often lack receipts, photographs, or other
10 records needed to meet the detailed inventory documentation
11 required by insurance companies. Requiring the preparation of
12 these inventories is a major administrative hurdle that may
13 affect the access to funds needed for basic necessities.
14 Forcing disaster survivors to create these lists also prolongs
15 emotional trauma and diverts their attention from the process of
16 rebuilding or replacing their home.



1 The legislature finds that California, Colorado, and Oregon
2 have enacted reforms that protect consumers by requiring
3 insurance companies to pay a percentage of the insured value of
4 personal property covered under an insurance policy, without an
5 inventory. These state laws still require the preparation of an
6 itemized personal property inventory to obtain the full insured
7 value under the insurance policy.

8 The legislature finds that the reforms enacted by
9 California, Colorado, and Oregon relieve survivors of the
10 necessity of preparing an inventory and do not create any
11 additional cost or liability for insurers. Total payouts remain
12 capped at the coverage amount previously agreed to by the
13 insurer and policyholder. Specifically, insurers still set the
14 coverage limits and calculate premiums based on these amounts,
15 which means the risk has already been priced into the policy.
16 An insurer who must pay the full value of property destroyed
17 under an insurance policy is simply fulfilling their contractual
18 obligation under the policy as written.

19 The legislature further finds that ensuring prompt, full
20 payment of contents coverage after a catastrophic loss speeds up
21 disaster recovery, helps prevent administrative disputes between



1 insurers and insured persons, allows families recovering from
2 disasters to focus on survival and rebuilding instead of filling
3 out unnecessary paperwork, and supports Hawaii's broader
4 economic and social resilience.

5 The legislature therefore declares that requiring the
6 automatic payment of one hundred per cent of the insured value
7 of insured personal property following a catastrophic disaster
8 is both fair and necessary to protect consumers and ensure the
9 timely and efficient recovery of affected communities.

10 Accordingly, the purpose of this Act is to:

- 11 (1) Require the automatic payment of one hundred per cent
12 of the personal property or contents coverage limit
13 stated in an insurance policy if a total loss of a
14 dwelling is caused by certain perils that occurred
15 during a state of emergency;
- 16 (2) Prohibit an insurer from requiring the submission of
17 an itemized inventory of damaged or destroyed personal
18 property; and
- 19 (3) Require notice to policyholders of the right to an
20 automatic payment.



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

4 **"PART . HOMEOWNERS INSURANCE; RENTERS INSURANCE; PERSONAL**
5 **PROPERTY**

6 **§431:10E- Definitions.** As used in this part, unless
7 the context otherwise requires:

8 "Contents coverage or personal property coverage" means the
9 portion of a homeowners or renters insurance policy that covers
10 personal belongings such as furniture, clothing, appliances,
11 electronics, and household goods.

12 "State of emergency" means a state of emergency or local
13 state of emergency declared by the governor or a mayor pursuant
14 to section 127A-14.

15 "Total loss" means that the dwelling and its contents have
16 been destroyed to the extent that no significant personal
17 property remains salvageable.

18 **§431:10E- Payment of contents coverage after**
19 **catastrophic disaster loss.** (a) If a total loss of a dwelling
20 insured under a homeowners insurance policy or renters insurance
21 policy is caused by a peril that:



1 (1) Is covered under the homeowners or renters insurance
2 policy; and

3 (2) Occurred during a state of emergency,
4 an insurer shall pay one hundred per cent of the contents
5 coverage or personal property coverage limit stated in the
6 policy. An insurer shall not require the submission of an
7 itemized inventory of damaged or destroyed personal property as
8 a prerequisite for the payment required under this section.

9 (b) The payment required by this section shall be made
10 within sixty days from the date the total loss is established.

11 **§431:10E- Notice to policyholders.** No later than
12 thirty days after the declaration of a state of emergency that
13 affects an insured property, an insurer shall provide clear
14 written notice to all policyholders of the right to an automatic
15 payment of one hundred per cent of contents coverage or personal
16 property coverage after a total loss pursuant to this part and
17 the process to apply to receive this automatic payment."

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



S.B. NO. 2963

1 SECTION 4. This Act shall take effect on January 1, 2027,
2 and shall apply to all homeowners insurance policies issued or
3 renewed on or after that date.

4

INTRODUCED BY: _____

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a horizontal line.

S.B. NO. 2963

Report Title:

Insurance; Contents Coverage; Personal Property Coverage;
Automatic Payment; State of Emergency; Notice to Policyholders

Description:

Requires the automatic payment of 100% of the personal property or contents coverage limit stated in an insurance policy in the event of a total loss of a dwelling caused by certain perils that occurred pursuant to a state of emergency. Prohibits an insurer from requiring the submission of an itemized inventory of damaged or destroyed personal property. Requires notice to policyholders of the right to an automatic payment.

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

