THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2965

JAN 23 2026

A BILL FOR AN ACT

RELATING TO PROPERTY INSURANCE.

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

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

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

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

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

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

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

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

"**§431:10E- Intent to non-renew; notice to insured.** (a) If an insurer intends to non-renew a property insurance policy, the insurer shall provide written notice to the insured at least sixty days before the policy expires. The notice shall:

(1) Include the specific factual reasons for the non-renewal;

(2) Provide clear instructions for how the insured can address any stated reasons; and

(3) Be delivered by first-class mail, electronic transmission, or another reliable method that provides proof of delivery.

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

(c) Correctable issues shall include:

(1) Completing home repairs or maintenance;

(2) Providing updated documentation or proof of occupancy;

(3) Addressing underwriting concerns, such as the removal of specific hazards; or

(4) Resolving administrative or reporting deficiencies.

(d) If the insured makes the required corrections prior to the policy's expiration date, the insurer shall rescind the notice of non-renewal and renew the policy under the existing terms and conditions, subject to any lawful premium adjustments.

(e) This section shall not apply if the insured:

(1) Fails to pay the policy premium; or

(2) Engages in fraud or a material misrepresentation related to the insurance policy.

(f) Except as provided in subsection (e), if an insurer fails to comply with this section, the policy:

(1) Shall remain in effect for an additional sixty days after the date that the policyholder is given notice pursuant to this section; or

(2) At the insured's request, shall be renewed for an additional term of equal length, and under the existing terms and conditions, subject to any lawful premium adjustments;

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

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. New statutory material is underscored.

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

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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