

ACT 214

H.B. NO. 2256-76

A Bill for an Act Relating to Horizontal Property Regimes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 514-26, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 514-26 Insurance.** (a) The board of directors shall purchase and at all times maintain insurance which covers the common elements and, whether or not part of the common elements, all exterior and interior walls, exterior glass, floors, and ceilings against loss or damage by fire and such other hazards (including flood insurance under the provisions of the federal Flood Disaster Protection Act of 1973, if the property is located in an identified flood hazard area as designated by the federal Department of Housing and Urban Development) sufficient to provide for the repair or replacement thereof in the event of such loss or damages. The insurance coverage shall be written on the property in the name of the board of directors of the association of apartment owners, as trustee for each of the apartment owners in proportion to their respective common interests. Premiums shall be common expenses. Provision for the insurance

shall be without prejudice to the right of each apartment owner to insure his own apartment for his benefit.

(b) Any insurance policy providing the coverage required by subsection (a) shall contain a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the board of directors with a written summary, in layman's terms, of the policy. The summary shall include the type of policy, a description of the coverage and the limits thereof, amount of annual premium, and renewal dates. The board of directors shall provide this information to each apartment owner."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

SECTION 3. This Act shall take effect upon its approval.

(Approved June 7, 1976.)

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\*Edited accordingly.