ACT 110

S.B. NO. 752

A Bill for an Act Relating to Insurance.

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

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

The legislature also finds that extending the notice period promotes greater clarity and fairness in insurer-policyholder relationships by establishing clear expectations and legal assurances, thereby enabling consumers to make informed decisions regarding their insurance coverage. Recognizing the operational adjustments required to meet these new standards, this Act provides for phased implementation to allow insurers sufficient time to adapt. By enacting this measure, the legislature emphasizes the importance of consumer protection while fostering transparency, accountability, and fairness in the insurance industry.

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

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

"[†]§431:10-226.5[†] Notice of cancellation or nonrenewal[~~. In~~]; notice of cancellation or nonrenewal for policies of property insurance. (a) Except as provided in subsection (b), in the case of cancellation of a policy, the insurer shall give written notice to the insured not fewer than ten days [~~prior to~~] before the effective date of cancellation. For nonrenewal of a policy, the insurer shall give written notice to the insured not fewer than thirty days [~~prior to~~] before the effective date of nonrenewal. If under 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. Cancellation or nonrenewal shall not be deemed valid unless evidence of mailing the written notice is provided.

(b) This subsection shall only apply to policies of insurance on property used for residential purposes, including multi-family residential properties. In the case of cancellation of a policy, the property insurer shall give written notice to the insured not fewer than twenty days before the effective date of cancellation. In the case of cancellation of a policy due to nonpayment of premium or material misrepresentation, the property insurer shall give written notice to the insured not fewer than ten days before the effective date of cancellation. For nonrenewal of a policy, the property insurer shall give written notice to the insured not fewer than thirty days before the effective date of nonrenewal. If under 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 mailing the written notice 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 January 1, 2026.

(Approved May 29, 2025.)