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HOMEOWNERS INSURANCE INFORMATION

If you own a home or condominium, you will want to insure your property and household effects by investing in homeowners insurance. Chances are you will already have insurance on your home, if you have a mortgage on the property, since most lenders make insurance a condition of the loan.

Homeowners insurance offers the most comprehensive coverage available. However, most homeowners policies will not protect you from a flood, a hurricane, or an earthquake loss.

- Homeowners insurance pays claims for damage to your home, garage and other outbuildings; and for loss of furniture and other personal property due to damage or theft, both at home and away from; and homeowners insurance pays for additional living expenses if you rent temporary quarters while your house is being repaired.
- Homeowners insurance includes liability for bodily injury and property damage that you cause to others through negligence, and for accidents happening in and around your home, as well as away from home, for which you are responsible.
- It also pays for any injuries occurring in and around your home to persons other than you or your family. Medical payments coverage also pays claims for injuries outside your home that are caused by you, a family member living with you, or by your pet.
- Homeowners policies generally provide limited coverage for certain money, gold, jewelry, and stamp and coin collections.

When deciding how much insurance coverage to buy, consider the cost and how much you can afford. Assess the cost of replacing your house if it is totally destroyed, and determine what the present value is of your furniture and personal belongings. Do you want to be fully reimbursed when a loss occurs? Or, for a lower premium would you be willing to accept partial payment for the loss or damage? Remember

that buying a higher deductible is another way of decreasing your insurance premium.

Replacement cost coverage pays for the cost of rebuilding your house if it is destroyed by fire or other specified disasters. Replacement cost coverage will also pay for personal belongings, but usually at an additional premium. Your homeowners policy can also reimburse you on the basis of "actual cash value" only, instead of replacement cost. Actual cash value covers the cost of repairing the damaged property only to its condition just before the loss, or replacing damaged property with a substantially similar item.

For first-time home purchasers, here are some things to keep in mind when buying insurance:

- Deal with licensed insurance agents who work for companies licensed to sell insurance in Hawaii.
- Shop around to get the best coverage at the best price. Ask the companies you're interested in how they settle their claims. Check with friends and acquaintances to verify the companies' reliability and service.
- Keep a complete list of your important personal belongings and their original cost. This list will help you determine the total value of your personal effects and identify what has been lost in case of fire or theft.
- Read your homeowners policy carefully. Look for any exceptions, restrictions or limitations that will affect your coverage. Your mortgage lender may require you to purchase a separate flood or hurricane policy.

Your insurance company or insurance agent should help you decide on the best coverage for your individual situation and needs.