

July 18, 2018

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN
INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 Merchant Street, 2nd Floor
Honolulu, Hawaii 96813

I. Call to Order

Mr. Lane Nishioka called the meeting to order at 9:03 a.m. in the Queen Kapiolani Conference Room of the King Kalakaua Building.

Members Present:

Maria Carvalho (Farmers Hawaii)
Todd Feltman (State Farm)
John Foster (Monarch Insurance)
Russell Lo (Allstate)
Lane Nishioka (Island Insurance)
Janice Tsukada (Crum + Forster)

Others Present:

Claire Taise-Chee (DCCA/Insurance Division)
Paul Yuen (DCCA/Insurance Division)
Bonnie Arpin (AIPSO) - Teleconference
Cathie Brockway (AIPSO) - Teleconference
Becky Kotch (AIPSO) - Teleconference

Members Absent:

Edward Bartolini (Liberty Mutual)
Teuila Blythe (Allianz)
Michael Nonaka (First Insurance)

II. Reading of Antitrust Statement

The antitrust statement was read by Mr. Nishioka as follows:

“As members of this organization or participants in this meeting, we need to be mindful of the constraints of the antitrust laws. There shall be no discussions of agreements or concerted actions that may restrain competition. This prohibition includes the exchange of information concerning individual company rates,

coverages, market practices, claims settlement practices or any other competitive aspect of an individual company's operation. Each member or participant is obligated to speak up immediately for the purpose of preventing any discussion falling outside the bounds indicated."

III. Approval of Minutes

Motion was passed unanimously to approve the minutes of the January 17, 2018 and April 18, 2018 meetings.

IV. Financial Reports from the Hawaii Insurance Division/AIPSO

Reports were distributed through email and available at the meeting. Cash flow projection as of May 2018 was distributed at the meeting. The Board expressed concerns that the cash projection shows the HJUP tracking toward a need to assess the industry. Ms. Arpin assured the Board that the three-year projection is monitored based on cash flow on a regular basis and will be adjusted accordingly, allowing enough time to plan ahead to make an adjustment or to make a recommendation to the Board on how to proceed.

V. Items for Discussion

A. AIPSO – Personal Injury Protection Coverage Proposal

AIPSO presented a proposal to revise the personal and commercial auto personal injury protection endorsements to eliminate language that limits per visit charges on acupuncture treatments to \$75 and, in addition, to amend the rate schedules to tie the acupuncture treatment charges to the workers' compensation supplemental medical fee schedule.

The board voted unanimously to recommend adoption of the proposed changes to the Commissioner.

B. AIPSO – System Administrator Report

There were no updates regarding the system.

C. Other

No other items were discussed.

VI. Next Board Meeting

October 17, 2018 at 9:00 a.m. in the Queen Kapiolani Conference Room.

VII. Adjournment

The meeting was adjourned at 9:17 a.m.