

October 17, 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 9:01 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)  
Lane Nishioka (Island Insurance)  
Janice Tsukada (Crum & Forster)

Others Present:

Darleen Daguro (First Insurance)  
Jerry Bump (DCCA/Insurance Division)  
Rae Oda (DCCA/Insurance Division)  
Claire Taise-Chee (DCCA/Insurance Division)  
Thomas Assad (AIPSO) - Teleconference

Members Absent:

Edward Bartolini (Liberty Mutual)  
Teuila Blythe (Allianz)  
Russell Lo (Allstate)  
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 July 18, 2018 meeting.

### **IV. Financial Reports from the Hawaii Insurance Division/AIPSO**

Reports were distributed through email and available at the meeting. No questions were posed.

### **V. Items for Discussion**

#### **A. AIPSO – System Administrator Report**

Mr. Assad explained that AIPSO has implemented and been conducting their normal testing of approved changes, including the change to personal injury coverage forms, and has been releasing them to the servicing carriers. He has not heard from the servicing carriers about any issues with the system.

Regarding the update to the system, Island Insurance and First Insurance have expressed interest in a complete system for processing of HJUP business. AIPSO needs to set a date to have State Farm review the system to see if it would be acceptable to them. Once AIPSO gets a sense of whether or not State Farm is also interested in the system, they will do an analysis of what it will take to add a claims module, a statistical reporting feature, and a billing feature and report to the Board. Mr. Feltman added that, while there has not been discussion among senior leadership, he thinks State Farm would be in favor of utilizing a more complete system.

#### **B. Placing Business with Servicing Carriers Process**

Mr. Bump noted that the Insurance Division has received inquiries from motor vehicle insurers as to how to go about directing business to the HJUP as required by Hawaii Revised Statutes when they decline an application. As there has been some confusion about 1) whether a producer must have an agency relationship with one of the servicing carriers to submit an HJUP application and 2) the process for online issuers to redirect business, Mr. Bump wanted to discuss as a

board what the approach should be. Mr. Foster suggested that any servicing carrier should have a clearly written position as to if and how they will accept business from producers that are not appointed by that carrier. He also suggested providing consumers who were declined with a link to a static web page with information on the process to obtain an HJUP policy. Mr. Bump said that the page can be included on the Insurance Division's website. He will email the servicing carriers a formal request to which they are to reply with verbiage on the process by which consumers can contact them to obtain an HJUP policy. Mr. Bump will piece together the responses from the servicing carriers to create a draft for the web page, which he will send to the Board for comments.

**C. Other**

Mr. Bump mentioned that Ms. Blythe will be retiring. She has found a replacement from Allianz who will be joining the Board. Ms. Tsukada announced that she will be retiring in March and is looking for a replacement to represent Crum & Forster on the Board.

**VI. Next Board Meeting**

January 16, 2019 at 9:00 a.m. in the Queen Kapiolani Conference Room.

**VII. Adjournment**

The meeting was adjourned at 9:25 a.m.