

October 16, 2019

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

Ms. Maria Carvalho called the meeting to order at 9:02 a.m. in the Queen Kapiolani Conference Room of the King Kalakaua Building.

Members Present:

Maria Carvalho (Farmers Hawaii)
Todd Feltman (State Farm)
Russell Lo (Allstate)
Lane Nishioka (Island Insurance)

Others Present:

Jerry Bump (DCCA/Insurance Division)
Claire Taise-Chee (DCCA/Insurance Division)
Cathie Brockway (AIPSO) – Teleconference
Alicia Hanson (AIPSO) – Teleconference
Timothy Messier (AIPSO) - Teleconference
Edward Sullivan (AIPSO) - Teleconference

Members Absent:

Edward Bartolini (Liberty Mutual)
Wesley Brum (First Insurance)
Michael Mitsuka (Allianz Global Corporate Specialty)

II. Reading of Antitrust Statement

The antitrust statement was read by Ms. Carvalho 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 April 17, 2019 and July 17, 2019 meetings.

IV. Financial Reports from the Hawaii Insurance Division/AIPSO

Mr. Bump provided the financial reports from AIPSO to the Board members. No concerns were raised by the members.

V. Items for Discussion

A. AIPSO Proposal for Actuarial Services

Following discussion, motion was passed to recommend to the Commissioner to accept AIPSO's proposal for a one-time actuarial review and for the Board to evaluate triennially the need for a rate analysis in view of the composition of the business.

B. Future of Shared System

In response to AIPSO's request for direction, Mr. Bump initiated a discussion on the long-term system needs for the HJUP. Mr. Felton suggested looking into partnering with Michigan or another state or states to share the cost of development of a new system and offered to do a report on Michigan's situation for the Board. To assist the Board in making a recommendation on how to proceed, Mr. Bump said that he would try to reach out to Mr. Thomas Assad from AIPSO to paint the picture as to the current status and options for the future.

C. Other

Mr. Bump informed the board that AIPSO's rate filing was preliminarily approved by the Commissioner and that a public hearing will be held soon.

Mr. Bump mentioned that Mr. Assad had suggested that the Board form a subcommittee to look at statutory and administrative rule changes needed for the HJUP itself. The Board will hold further discussion on this at the next meeting.

VI. Next Board Meeting

January 15, 2020 at 9:00 a.m. in the Queen Kapiolani Conference Room.

VII. Adjournment

The meeting was adjourned at 9:26 a.m.