

July 7, 2020

BOARD OF GOVERNORS  
HAWAII JOINT UNDERWRITING PLAN  
Microsoft Teams Meeting

**I. Call to Order**

Mr. Todd Feltman called the meeting to order at 9:07 a.m.

Members Present:

Todd Feltman (State Farm)  
Lance Kawano (First Insurance Company of Hawaii)  
Russell Lo (Allstate)  
Michael Mitsuka (Allianz Global Corporate Specialty)  
Lane Nishioka (Island Insurance)

Others Present:

Darleen Daguro (First Insurance Company of Hawaii)  
Jerry Bump (DCCA/Insurance Division)  
Kathleen Nakasone (DCCA/Insurance Division)  
Rae Oda (DCCA/Insurance Division)  
Claire Taise-Chee (DCCA/Insurance Division)  
Thomas Assad (AIPSO) – Teleconference  
Natalie Benkovich (AIPSO) – Teleconference  
Alicia Hanson (AIPSO) – Teleconference  
Sherri Palermo (AIPSO) – Teleconference

Members Absent:

Maria Carvalho (Farmers Hawaii)

**II. Reading of Antitrust Statement**

The antitrust statement was read by Mr. Feltman 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 to approve the minutes of the January 15, 2020 meeting.

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

Financial reports from AIPSO were distributed to the Board members via email by Mr. Bump. No questions were posed.

**V. Items for Discussion**

**A. AIPSO Proposal – Coverage Exclusion**

AIPSO presented a proposal to exclude coverage for any claim in violation of the Executive Order issued by the U.S. Department of the Treasury that prohibits transactions with persons who commit, threaten to commit, or support terrorism. Following discussion, the Board voted to recommend adoption of the proposed changes to the Commissioner.

**B. AIPSO Proposal – Updates to Plan Language and Admin Rules**

Following discussion, the Board approved AIPSO's proposal to conduct an analysis of the servicing carrier fee structure to be presented to the Board for review and recommendation to the Commissioner. The Board deferred action on AIPSO's proposed changes to the setting of commission rates and revisions to the Hawaii Principles of Operation, including changes regarding composition of the Board of Governors pending amendments to the Hawaii Revised Statutes.

**C. AIPSO Proposal – Shared System Expansion Analysis**

AIPSO presented their plan for an analysis of the expansion of the shared system. Mr. Nishioka indicated that Island Insurance would be unable to dedicate sufficient time and resources to the project. Mr. Kawano expressed similar constraints for First Insurance Company of Hawaii. Mr. Feltman suggested that, in order to free up the other two servicing carriers, State Farm might be able to work with AIPSO and shoulder more of the details upfront to come with proposals and possible solutions that could be presented to Island Insurance and First Insurance for confirmation. The Board approved Phase 1 of the plan, utilizing State Farm as the primary contact, with all servicing carriers involved in any decision making.

**D. Other**

No other items were discussed.

**VI. Next Board Meeting**

October 21, 2020 at 9:00 a.m., Microsoft Teams Meeting.

**VII. Adjournment**

The meeting was adjourned at 9:51 a.m.