

July 21, 2021

BOARD OF GOVERNORS  
HAWAII JOINT UNDERWRITING PLAN  
Microsoft Teams Meeting

**I. Call to Order**

Mr. Todd Feltman called the meeting to order at 9:02 a.m.

Members Present:

Maria Carvalho

Dennis Dionne (Farmers Hawaii)

Todd Feltman (State Farm)

Reid Higashi (Business Insurance Services, Inc.) – Joined at item IV (9:13 a.m.)

Lance Kawano (First Insurance Company of Hawaii)

Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)

Lane Nishioka (Island Insurance)

Others Present:

Daniel Jacob (State of Hawaii Deputy Attorney General)

Jerry Bump (DCCA/Insurance Division)

Kathleen Nakasone (DCCA/Insurance Division)

Rae Oda (DCCA/Insurance Division)

Claire Taise-Chee (DCCA/Insurance Division)

Thomas Assad (AIPSO)

Jim Chrones (AIPSO)

Alicia Hanson (AIPSO)

Kayla Nelson (AIPSO)

Andrea Olson (AIPSO)

Frank Pensabene (AIPSO)

Edward Sullivan (AIPSO)

Members Absent:

None

## **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 to approve the minutes of the April 21, 2021 meeting passed unanimously.

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

Mr. Bump noted that some companies received a larger than normal assessment for the policy year drop. Mr. Assad explained that the major contributing factor behind this was those companies’ participation in only the private passenger pools as opposed to participating in both private passenger and commercial business, with one offsetting the other.

## **V. Items for Discussion**

### **A. Hawaii Administrative Rule Changes**

Mr. Bump informed the board about upcoming proposed changes to the Hawaii Administrative Rules, including updates relating to public assistance benefits recipients and changes related to how the HJUP will service the business, moving away from a servicing carrier model towards a servicing provider model, with language to be modified to allow for either an administrator or insurer to handle the business.

### **B. Servicing Model Cost Comparison**

As requested by the board at the last meeting, Mr. Assad presented AIPSO’s servicing model cost comparison and answered questions from board.

**C. Large Loss Report – Hawaii Underinsured Motorist Coverage Endorsement Discussion**

Members discussed an underinsured motorist coverage endorsement on the personal form that is missing from the commercial form, which resulted in the large loss indicated on the financial reports discussed at the April 21, 2021 meeting. The board requested that AIPSO draft proposed language to revise the commercial underinsured motorist form to mirror the personal form. Mr. Assad said that AIPSO will provide the proposed language to Mr. Bump and the board before the next meeting to allow members time to research and comment if they find needed changes that go beyond those recommended by AIPSO. Upon receipt of the proposed language from AIPSO, Mr. Bump will call for a special board meeting prior to the scheduled October meeting.

**D. AIPSO Stage Gate Process**

Mr. Assad presented an overview of AIPSO's planned stage gate process. AIPSO will finalize their proposal and forward it to Mr. Bump in time for it to be included on the agenda for the special interim meeting. Mr. Assad noted that AIPSO requests the board's input on the process and seeks to modify it at the board's direction.

**E. Servicing Carriers Contacts**

Mr. Bump requested that each of the servicing carriers provide a contact for AIPSO to use as a resource during the transition to AIPSO servicing the business.

**VI. Next Board Meeting**

October 20, 2021 at 9:00 a.m., Microsoft Teams Meeting

**VII. Adjournment**

The meeting was adjourned at 10:44 a.m.