

October 19, 2022

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

Queen Liliuokalani Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

I. Call to Order

Ms. Maria Carvalho called the meeting to order at 9:01 a.m.

Members Present:

Maria Carvalho

Todd Feltman (State Farm)

Reid Higashi (Business Insurance Services, Inc.)

Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)

Lane Nishioka (Island Insurance)

Kim Sato (Farmers Hawaii)

Others Present:

Jerry Bump (DCCA/Insurance Division)

Claire Taise-Chee (DCCA/Insurance Division)

Victoria Ivanov (AIPSO)

Douglas Beck (AIPSO)

Natalie Benkovich (AIPSO)

Jim Chrones (AIPSO)

Alicia Hanson (AIPSO)

Edward Sullivan (AIPSO)

Members Absent:

Lance Kawano (First Insurance Company of Hawaii)

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

Mr. Feltman moved and Ms. Morrow-Blalock seconded the motion to approve the meeting minutes from July 20, 2022. The motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan

Financial reports from AIPSO were previously distributed to the board members by Mr. Bump via email. Nothing additional was noted by AIPSO.

V. Items for Discussion

A. Election of 2023 Officers

In keeping with the past practice of rotating offices among the represented companies, Mr. Feltman moved to elect Ms. Sato as Chair and Mr. Kawano as Vice Chair for 2023. Ms. Morrow-Blalock seconded the motion. The motion passed unanimously.

B. Commercial Implementation Date

Mr. Bump proposed changing the commercial implementation date from September 1 to October 1, 2023 to align with HJUP’s plan year, which runs from October 1 to September 30, allowing for a clean break from the existing servicing carriers to AIPSO as the new servicing provider. Mr. Bump noted that the current servicing carriers, Island Insurance and State Farm, are willing to extend their service for an additional month. Mr. Chrones said that, at this point, October 1 appears to be feasible for AIPSO and that if they run into any roadblocks, AIPSO will let the board know as soon as possible. The group agreed to move forward with the date change.

C. Update from AIPSO on Servicing of PP and CPAI

Noting that, all in all, things are going well, Mr. Beck reported the following:

- 1) Two private passenger policies had been issued as of the end of September, with two or three more to be issued in October. On the JUP policies that were processed since the last meeting, AIPSO ran the first commission cycle, which was successful.
- 2) The number of CPAI policies was up from 381 at the end of September to over 400 with everything working well.
- 3) Working with IC International has been going well.
- 4) The first claims off the CPAI policies have come in. Roughly \$10,000 in reserves have been set up for three policies. No payments have been made yet. AIPSO's claims manager has reviewed all three of the claims and found nothing abnormal.
- 5) There have been two or three glitches in the AIPSO system primarily related to long and hyphenated names of Hawaii producers and insureds not normally seen in the rest of the states. AIPSO has been making adjustments to deal with the issue.

In response to Mr. Feltman's question about how producers are doing with the EASi system, Mr. Chrones reported that the transition has been typical with no significant issues.

VI. Next Board Meeting

January 18, 2023 at 9:00 a.m.

VII. Adjournment

The meeting was adjourned at 9:23 a.m.