

April 18, 2023

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. Kim Sato called the meeting to order at 9:02 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)

Kathleen Nakasone (DCCA/Insurance Division)

Claire Taise-Chee (DCCA/Insurance Division)

Douglas Beck (AIPSO)

Natalie Benkovich (AIPSO)

Jim Chrones (AIPSO)

Alicia Hanson (AIPSO)

Victoria Ivanov (AIPSO)

Grace Lopes (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. Sato 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 Mr. Nishioka seconded the motion to approve the meeting minutes from January 18, 2023. The motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan

Mr. Bump noted a bit of an improvement over the last cash flow projection in October, but nothing too drastic that requires action by the board at this time.

V. Items for Discussion

A. Servicing of PP and CPAI Update from AIPSO

Mr. Beck reported that AIPSO was up to 898 CPAI policies and 6 personal auto policies. He also mentioned that the different counties are almost universally submitting the new certificate of eligibility forms from the Department of Human Services allowing for two individuals to be listed on a vehicle, which were rolled out just prior to the last meeting.

B. Revisions to A&S Manual

Mr. Bump noted that the revisions to the Accounting & Statistical Manual that were proposed by Mr. Feltman were incorporated by AIPSO and requested that the board make a move to recommendation to the Commissioner. Mr. Nishioka moved to recommend to the Commissioner to approve the manual. Mr. Feltman seconded the motion. The motion passed unanimously.

C. Proposal to Update Endorsements for Optional Benefits and PIP.

Following a brief discussion on these prior law changes, Mr. Nishioka moved to recommend to the Commissioner to approve AIPSO's proposed updates to the Optional Benefits Coverage and Personal Injury Protection Coverage endorsements. Ms. Morrow-Blalock seconded the motion. The motion passed unanimously.

D. Commercial Implementation Update

Mr. Bump provided an update for transitioning the commercial business from the current carriers to AIPSO, which had been planned for October 1. He communicated to the board via email after the January meeting that AIPSO has put the transition on hold. AIPSO does not have a new date for the transition at this time. In the meantime, Island Insurance has asked to exit as a commercial carrier, with one of the reasons being that they timed the discontinuation of their current administration legacy system with the October 1 transition date and it would be cost prohibitive for them to maintain the system past that date. The Commissioner has not approved Island Insurance's request yet. With the help of AIPSO and State Farm, the Insurance Division has been working towards a solution to allow Island Insurance to exit and still be able to service the commercial market effectively. Mr. Bump will inform the board as soon as a solution has been reached, hopefully within the next few weeks. Mr. Chrones commented that AIPSO remains committed to meeting the needs of the HJUP and is working on potential solutions to provide interim support using existing tools and staffing that they have in place, adding that, as soon as AIPSO's new Galaxy system is at a point of stability, they will move towards getting the full transition in place.

VI. Next Board Meeting

July 19, 2023 at 9:00 a.m.

VII. Adjournment

The meeting was adjourned at 9:30 a.m.