

April 23, 2025

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

Queen Liliuokalani Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street, Room 330
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

I. Call to Order (00:00:15)

Mr. Jerry Bump called the meeting to order at 9:01 a.m.

Members Present:

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)
Mio Shimamura (DCCA/Insurance Division)
Christly Yoshizawa (DCCA/Insurance Division)
David Maynard (AIPSO)
Tracy Walsh (AIPSO)
Andrea Olson (AIPSO)
Alicia Hanson (AIPSO)
Caren Kerman (AIPSO)

Members Absent:

Lance Kawano (First Insurance Company of Hawaii)

II. Reading of Antitrust Statement (00:02:37)

The antitrust statement was read by Mr. Nishioka 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 (00:03:28)

Mr. Feltman moved to approve the meeting minutes from January 16, 2025. Mr. Higashi seconded the motion. With no members objecting, the motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:04:14)

Financial reports from AIPSO were previously distributed to the board members by Mr. Bump via email. Mr. Bump reviewed the cash flow projection prepared by AIPSO highlighting two new claims that collectively impacted the projection by \$600,000.00. Mr. Maynard clarified that this figure reflects the remaining losses for 2025 from two servicing carriers. Following the discussion, Mr. Bump noted that this matter would be further addressed with Mr. Assad. Mr. Bump also offered to connect offline with any volunteers interested in reviewing the projections. Mr. Bump emphasized that including these claims in the cash flow projections is a logical approach.

Mr. Bump inquired about the timing of the next scheduled assessment. Mr. Feltman suggested conducting the assessment in 2026 while continuing to monitor the projections, and the board members expressed no objections.

Mr. Bump discussed Assigned Claims Program Members Participation Report for the fiscal year ending September 30, 2024, 2023 and 2022, which falls under AIPSO's payment responsibilities. During the discussion, Mr. Maynard clarified that the program is settled annually in September with member companies, and funds are collected once a year. There board members had no questions.

V. Additional Items for Discussion (00:26:18)

A. Servicing Provider Update

Ms. Walsh provided an update on the AIPSO's insurance operations, confirming that the AIPSO remains on schedule for the January go-live date. Ms. Walsh highlighted that efforts are currently focused on validating and testing the system configuration changes. Ms. Walsh reported that operations have been running smoothly without any issues.

Ms. Walsh further provided updates on AIPSO's personal insurance operations. Through March 2025, AIPSO received six personal applications and 265 CPAI certificates. As of March 31, 2025, AIPSO has 20 personal policies and 982 CPAI certificates currently in-force.

B. Proposal – Model Plan Amendments

Ms. Hanson presented AIPSO's proposed amendments to Personal Provisions sections of HJUP. The amendments seek to refine and streamline language to better reflect current business practices, introduce the use of e-signature software for obtaining applicant signatures, establish performance standards for the software, and mandate that coverage will only take effect upon obtaining signatures from both the applicant and the producer. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Morrow-Blalock second the motion. The motion passed unanimously.

C. Proposal – Retraction of Commercial Application

Ms. Hanson presented AIPSO's proposed amendments to the commercial provisions sections of HJUP, proposing an extension of the timeframe for retracting a commercial application from 20 to 45 days if the producer fails to submit the application. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Morrow-Blalock second the motion. The motion passed unanimously.

VI. Next Meeting (00:33:14)

Wednesday, July 16, 2025, 9:00 a.m.

VII. Adjournment (00:33:30)

The meeting was adjourned at 9:35 a.m.