

October 17, 2023

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

James Kaliokalani Room
King Kalakaua Building, 1st Floor
335 Merchant Street
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

I. Call to Order (00:00:07)

Ms. Kim Sato called the meeting to order at 9:02 a.m.

Members Present:

Todd Feltman (State Farm)

Reid Higashi (Business Insurance Services, Inc.) – Present via phone. Able to listen, but not able to participate in discussion or vote.

Lance Kawano (First Insurance Company of Hawaii)

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)

Thomas Assad (AIPSO)

Natalie Benkovich (AIPSO)

Alicia Hanson (AIPSO)

Tracy Walsh (AIPSO)

Members Absent:

Maria Carvalho

II. Reading of Antitrust Statement (00:03:17)

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 (00:04:03)

Ms. Blalock moved to approve the meeting minutes from July 26, 2023. Mr. Nishioka seconded the motion. The motion passed with members Kawano, Blalock, Nishioka, and Sato voting in favor and Mr. Feltman abstaining because he was not present at the July 26, 2023 meeting. Mr. Higashi was present via phone but did not vote.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:05:28)

Mr. Assad said the board will probably be in a position at the next meeting to determine whether an assessment will be needed next year. AIPSO will let the board know at the next meeting the amount of the assessment and when it would be issued.

V. Items for Discussion

A. Servicing of PP and CPAI - Update from AIPSO (00:11:12)

Ms. Walsh reported on private passenger processing noting a leveling off for the period ending September 30, 2023. She added that AIPSO and IC International have been working very well together.

B. Servicing of Commercial Business – Updates from Insurance Division/AIPSO (00:15:07)

Mr. Bump provided background on an agreement with IC International and State Farm, executed with AIPSO’s help, allowing First Insurance and Island Insurance to exit as servicing carriers. Mr. Bump stated that, effective October 1, 2023,

Island Insurance is no longer renewing commercial policies and State Farm is the sole servicing provider for commercial, using IC International to work with the agent community to get the policies underwritten and sent to State Farm for processing, with the business being submitted through AIPSO's EASi system.

Ms. Benkovich provided an update regarding producer training, feedback from producers with additional questions, training for IC International, and applications received since EASi went live on October 1, noting that the transition has been going well.

In response to Mr. Bump's question as to whether AIPSO could provide an update as to when they will be able to take on the commercial business so that State Farm can exit, Mr. Assad said that AIPSO should be able to provide a date certain in about a month, but definitely by the next meeting.

C. Election of 2024 Officers (00:23:16)

In keeping with the past practice of rotating offices among the represented companies, Ms. Blalock moved to nominate Mr. Kawano as Chair and Mr. Nishioka as Vice Chair for 2024. Mr. Feltman seconded the motion. The motion passed with members Feltman, Kawano, Blalock, Nishioka, and Sato voting in favor. Mr. Higashi was present via phone but did not vote.

VI. Next Board Meeting (00:27:15)

January 17, 2024 at 9:00 a.m.

VII. Adjournment (00:27:23)

The meeting was adjourned at 9:29 a.m.