

November 8, 2024

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 (00:00:01)

Mr. Lane Nishioka called the meeting to order at 9:07 a.m.

Members Present:

Todd Feltman (State Farm)
Reid Higashi (Business Insurance Services, Inc.)
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)
Amy Hicks (AIPSO)
Victoria Ivanov (AIPSO)
Caren Kerman (AIPSO)
Matthew Mayfield (AIPSO)
Andrea Olson (AIPSO)
Sherrie Oshiro (Business Services, Inc.)
Teri Fabry (Member of the public)

Members Absent:

Lance Kawano (First Insurance Company of Hawaii)
Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)

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

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 (00:04:47)

Mr. Feltman moved to approve the meeting minutes from July 17, 2024. Ms. Sato seconded the motion. With no members objecting, the motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:05:22)

Mr. Assad said that he did not see any anomalies in the trends.

V. Election of 2025 Officers (00:07:38)

In keeping with the past practice of rotating offices among the represented companies, Mr. Feltman moved to nominate Mr. Nishioka as Chair and Ms. Morrow-Blalock as Vice Chair for 2025. Ms. Sato seconded the motion. The motion passed unanimously.

VI. Items for Discussion

A. Servicing Provider Update (00:09:40)

Ms. Kerman presented AIPSO’s servicing provider update on personal auto with a review of the first month plus a week of AIPSO serving as the provider on the commercial side, noting that there seems to be some confusion as to where to send inquiries on applications that have been submitted after they have been quoted. Ms. Benkovich added that, in response to feedback regarding confusion around how the process works, AIPSO will issue a survey via email to get producers’ input into the services that are being provided, areas of confusion, or areas where AIPSO could look to change the process.

Mr. Higashi expressed concerns regarding inefficiencies and confusion about the process. Mr. Assad and Ms. Benkovich said they will meet separately with Mr. Higashi and his team to get a better understanding of their concerns.

Mr. Mayfield noted that AIPSO is on target to take over as the service provider on January 1, 2026.

B. Proposal – Update Principles of Operation for Change of Address
(00:20:49)

Mr. Bump introduced AIPSO's proposal to amend HJUP Principles of Operation and the commercial application to reflect IC International's new street address. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Sato seconded the motion. The motion passed unanimously.

C. Proposal – Supporting Documentation Requirements (00:24:04+)

Mr. Bump explained AIPSO's proposal to clarify that (1) the copy of the operator's license and registration must be current and valid when submitted with the application and deposit and (2) an applicant, who is owner of a registered motor vehicle or will be registered in Hawaii within 30 calendar days, is eligible for the HJUP. Following discussion, Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Sato seconded the motion. The motion passed unanimously.

D. Proposal – Increased Benefits for Chiropractor Treatments (00:29:58)

Mr. Bump explained AIPSO's proposal to amend the private passenger and commercial PIP coverage endorsements, the private passenger application, and the Private Passenger Auto Rate Chapter to reflect the increase in the maximum reimbursement rate for chiropractic treatments in accordance with House Bill 1686. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Mr. Higashi seconded the motion. The motion passed unanimously.

E. Proposal – Increased Minimum Limits (00:31:15)

Mr. Bump explained AIPSO's proposed amendments to the Plan sections, rating rules, base rates, endorsement forms, and application forms for private passenger and commercial auto risks to reflect the new financial responsibility limits of \$40,000/80,000 residual bodily injury and \$20,000 property damage split limits of liability in accordance with Senate Bill 2342. Mr. Higashi moved to recommend to the Commissioner to approve the proposal. Mr. Feltman seconded the motion. The motion passed unanimously.

F. Proposal – Private Passenger & Commercial Rates (00:32:47)

Ms. Hicks presented AIPSO's CPAI, Non-CPAI, and Commercial rate review findings and proposals. Following discussion, Mr. Feltman moved to recommend to the Commissioner to approve the CPAI and private passenger proposals as presented and remove the cap on the Commercial proposal. Ms. Sato seconded the motion. The motion passed unanimously.

G. Amended Proposal – Increase Limits of Liability (00:50:33)

Mr. Bump and Mr. Feltman provided background to AIPSO's proposal to introduce residual bodily injury and uninsured and underinsured motorists limits of \$100,000/200,000, \$100,000/500,000, \$100,000/1,000,000, and \$250,000/750,000 and a property damage liability limit of \$250,000 when required by law or contractually by a governmental agency. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Mr. Higashi seconded the motion. The motion passed unanimously

VII. Next Board Meeting

Wednesday, January 15, 2025 at 9:00 a.m.

VIII. Adjournment (00:57:25)

The meeting was adjourned at 10:04 a.m.