

January 16, 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 (00:00:00)

Mr. Lane Nishioka called the meeting to order at 9:00 a.m.

Members Present:

Todd Feltman (State Farm)
Reid Higashi (Business Insurance Services, Inc.)
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)
Rae Oda (DCCA/Insurance Division)
Claire Taise-Chee (DCCA/Insurance Division)
Thomas Assad (AIPSO)
Natalie Benkovich (AIPSO)
Alicia Hanson (AIPSO)
Victoria Ivanov (AIPSO)
Caren Kerman (AIPSO)

Members Absent:

None

II. Reading of Antitrust Statement (00:00:07)

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 (00:03:54)

Mr. Feltman moved to approve the meeting minutes from November 8, 2024. Ms. Sato seconded the motion. With no members objecting, the motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:04:40)

Reviewing the cash flow projection prepared by AIPSO, Mr. Bump noted that there does not appear to be a need for an assessment to be made at this time. Mr. Higashi asked if there are any known open large claims that might impact the projection. Following discussion, Mr. Assad said that AIPSO will do an analysis of claims activity over the past year compared to prior claims activity and see if there appears to be anything extraordinary and add it to the analysis for next quarter.

V. Items for Discussion

A. Servicing Provider Update (00:14:11)

Ms. Kernan presented the servicing provider update, noting that, with regard to days to process, AIPSO is averaging about three days for personal auto turnaround.

Ms. Benkovich provided an update after meeting with Mr. Higashi and others from his office about their concerns voiced at the last board meeting regarding the process. Ms. Benkovich said that, hoping to get feedback from as many as possible who had had experience with the process, she sent out a survey to all producers who have submitted commercial business since October 1, 2024 and that she received two responses in the week since the survey was sent out. The board members said that they can assist with trying to get more producers to

respond to the survey.

B. Proposal – Principles of Operation Commercial Provisions (00:24:07)

Ms. Hanson presented AIPSO's Principles of Operation Commercial Provisions proposal that allows AIPSO to assume the role of HJUP's servicing entity. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Blalock seconded the motion. The motion passed unanimously.

C. Proposal – Premium at Present Rates Experience Rating Plan (00:25:34)

Ms. Hanson presented AIPSO's proposal to replace the current experience rating plan with an experience rating plan that is based on current Plan premiums. Mr. Feltman moved to amend the proposal to reflect the utilization of current and future liability factors and to recommend to the Commissioner to approve the amended proposal. Ms. Sato seconded the motion. The motion passed unanimously.

VI. Next Board Meeting

Wednesday, April 16, 2025 at 9:00 a.m.

VII. Adjournment (00:31:49)

The meeting was adjourned at 9:32 a.m.