

HAWAII HURRICANE RELIEF FUND  
HURRICANE PROGRAM CLAIMS ADMINISTRATION  
Request for Proposal (RFP)

May 16, 2025

# OUTLINE

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

## I. Background

The Hawaii Hurricane Relief Fund (HHRF) was created by chapter 431P of the Hawaii revised Statutes (HRS) and is administratively attached to the Department of Commerce and Consumer Affairs of the State of Hawaii. The HHRF is responsible for monitoring the availability of property insurance, including insurance for hurricanes, in this State. When the HHRF's Board determines that the private insurance market is not making such insurance reasonably available to consumers of this State, the HHRF may offer policies of hurricane property insurance for sale. Previously the HHRF insured properties in Hawaii against hurricane damage. The HHRF is now operationally dormant but is making preparation to restart. HRS chapter 431P, as modified by SB1044 CD1, establishes the HHRF and sets forth its powers and duties.

Currently, condominium associations are faced with the challenge of limited insurance options. With only a few authorized insurers offering master policies in Hawaii and coverage limits of just 20-30% or less of a building's hurricane exposure, the Governor was prompted to issue an emergency proclamation relating to Condominium Insurance Stabilization, enabling the HHRF to offer hurricane coverage to Condominium associations.

The HHRF seeks to implement an excess hurricane policy for condominium associations with a 2% per-building deductible, \$10,000,000 minimum attachment and \$90,000,000 maximum attachment, as illustrated below. The policy coverage details and form may be amended from time to time by the HHRF Board to meet the needs of the Hawaii insurance marketplace.

### HHRF Limit Options Option 2: \$190m x \$10m

	HHRF Coverage	AOAO Count*	Average AOAO Size (\$'m)	% of AOAO Full Value Covered	Average Unit Count	Construction	Year Built	County
	Part Coverage	30	310	35%**	415	Concrete = 55%, Wood = 20%, Other = 25%	Pre-1980 = 20%, 1980-2005 = 35%, Post 2005 = 45%	Hawaii = 15%, Honolulu = 70%, Kauai = 0%, Maui = 15%
	Full coverage	860	45	100%**	90	Concrete = 55%, Wood = 30%, Other = 15%	Pre-1980 = 60%, 1980-2005 = 35%, Post 2005 = 5%	Hawaii = 10%, Honolulu = 70%, Kauai = 5%, Maui = 15%
	No Coverage	450	5	0%	10	Concrete = 45%, Wood = 25%, Other = 30%	Pre-1980 = 65%, 1980-2005 = 30%, Post 2005 = 5%	Hawaii = 10%, Honolulu = 70%, Kauai = 5%, Maui = 15%

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\* Assumes 1/3 of AOAOs are ineligible due to deferred maintenance.  
\*\* Includes \$10m of coverage provided by the primary insurer

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The HHRF, via its Consultant and Servicing Facilities intends to be receiving applications and binding coverage for hurricane policies in June. The HHRF is currently targeting receiving applications as early as Monday, June 2.

## **II. Purpose**

The HHRF is preparing to exit dormancy with the intention of taking policy applications by June of 2025. The HHRF is interested in retaining a qualified Third Part Administrator (TPA) for the purposes of managing the reporting, adjudicating, and settling of claims that may arise from a hurricane affecting Hawaii while the HHRF has policies in force. The HHRF is issuing this Request for Proposal (RFP) for the purpose of soliciting competitive proposals from qualified entities capable of providing services as outlined in Section III, Scope of Services.

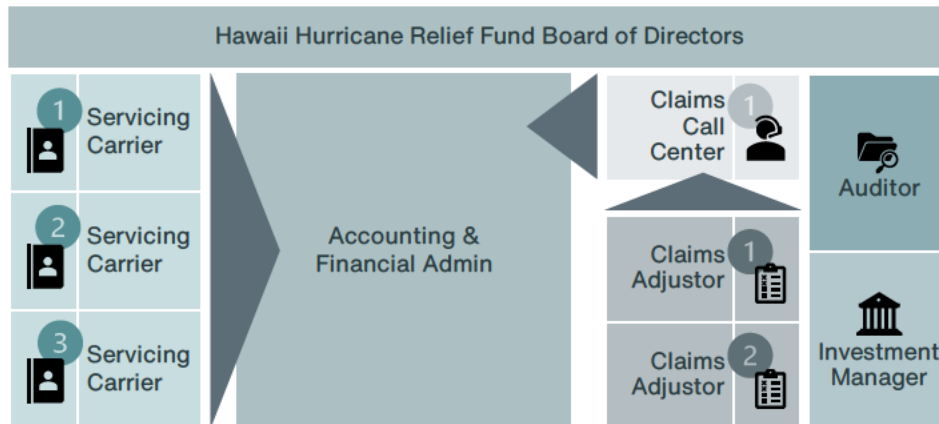
The TPA may be asked to assist in designing a plan for emergency response that ensures the HHRF's ability to receive notice of loss, verify coverage, and provide indemnity payments to policyholders in a timely and sufficient manner. The service(s) will need to meet the capacity needs of the HHRF. The HHRF Board fully expects that the TPA may need to work with the HHRF Board, actuary, financial advisor, servicing facilities, or any other staff or consultant to help design strategies that meet the needs and objectives of the HHRF. A high value will be placed on the TPA's ability to participate as part of this team. The services to be provided by the TPA are outlined in Section III, Scope of Services.

### III. Scope of Services

See below for proposed HHRF operational setup:

#### HHRF Operations

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The HHRF seeks proposals for two services:

1. **Claims Call Center:** The HHRF requires a single, consolidated claims call center with services to include:
  - a. Call center to be listed on the policy welcome letter for contact in the case of a claim.
  - b. Receive First Notice of Loss (FNOL).
  - c. Verify in-force coverage with the central administrator or relevant servicing carrier.
  - d. Assign adjustor(s).
  - e. Coordinate claims adjusting between the HHRF policy coverage and the coverage/claims adjustor(s) of the primary insurer.
  - f. Submit claims bordereaux to the central administrator.
  - g. Issue indemnity payments to policyholders from a claims account established by the central administrator.
  - h. Provide regular updates to the board in the event of a hurricane that generates claims.
  - i. Design an appropriate call center script.
  - j. Design an appropriate emergency / catastrophe response plan.

- k. Maintain operational capabilities in the event of a natural disaster including a Category 5 hurricane striking or affecting the State of Hawaii.
  - l. As needed, coordinate claims related communication between the primary insurer(s), the servicing facilities, the central administrator, the HHRF Board, claims adjusters, agents/producers, policyholders, and other appropriate parties as requested by the HHRF Board.
2. **Claims adjudication:** The HHRF may select one or more TPAs to provide onsite and/or office/desk claims adjustment and adjudication, with services to include:
- a. Verification of loss.
  - b. Adjudication of loss.
  - c. Application of HHRF policy terms and conditions in determining loss.
  - d. Coordination with claims personnel from the primary insurer.
  - e. Providing service and support to policyholders.
  - f. Settling claims for appropriate amounts that are fair to the policyholder and consistent with industry standards.

#### IV. **RFP Structure / Process**

To complete the entire RFP process in a timely manner and allow sufficient time for the successful implementation of the preferred proposal, the HHRF Board will adhere to a concise process for the evaluation of each Consultant's capabilities.

Written submission: The HHRF must receive a written submission including proposed pricing no later than 4 PM HST on Wednesday, May 28. Proposals should separate call center from adjuster services and note which fees are upfront, which fees are ongoing, and which fees are only required on a contingent basis in the event of a hurricane.

**Proposal Due Date:** Written response including pricing: Wednesday May 28, 2025 by 4 PM HST.

Participants that submit a written response are requested to present their offering to the HHRF Board at the Tuesday, June 3 Board meeting held at 10:30 AM HST. Participants will be provided a presentation order at the time of the release of the June 3 Board meeting agenda at 4:30 PM HST on Wednesday, May 28. Presentations should be ten minutes with five additional minutes for board questions. Presentations will be public, can be provided virtually, and participants are advised to redact any material from their written proposal that should not be part of the public Board meeting.

**Proposal Presentation Date:** HHRF Board Meeting: Tuesday, June 3, 2025 at 10:30 AM HST

Prospective TPAs are encouraged to be creative and offer new alternatives. Prospective TPAs should have a good understanding of the Hawaii condominium market to address this extremely hard insurance market where availability of coverage is limited, and the cost of insurance is rising significantly. That includes demonstrating expertise in the building inventory specific to Hawaii and expertise collaborating between primary and excess property policies. In addition, prospective TPAs should consider the provisions outlined in the Governor's Proclamation Relating to Condominium Insurance Stabilization issued August 7, 2024, its various reissuances since and SB1044 CD1.

At no time are you to contact any insurer or servicer on HHRF's and its Board's behalf. All pricing indications and program design should be internally developed.

At no time are you to contact any HHRF Board/Committee member, state regulator, state official, lobbyists, or any other person or organization. All communications are to be directed solely to:

Paul Eaton – Head of Actuarial Consulting, NA, Aon  
200 East Randolph Street | 11th Floor | Chicago, Illinois 60601  
Mailing Address: MSC# 17510 | Aon | P.O. Box 1447 | Lincolnshire, IL 60069

Email: [REDACTED]  
Phone: [REDACTED]  
Mobile: [REDACTED]

## **V. Timetable**

- 5/16/2025 RFP sent out by HHRF's Contractor, Aon
- 5/28/2025 Written response due by 4 PM HST
- 6/3/2025 Oral presentations to HHRF Board starting 10:30 AM HST
- 6/3/2025 HHRF Board to vote on TPA services or to delay decision

Due to the extreme time demands on the HHRF Board and its partners to be providing coverage as early as June 2025, TPAs should emphasize their ability to tool and implement all solutions before the end of June and describe any emergency capability to tool and provide services in June should the HHRF write policies and June and a Hurricane warning or watch is declared.

## **VI. Proposal Requirements**

Interested TPAs are asked to submit a Letter of Intent indicating that they meet the minimum standards for the bid process and include the following specific information:

- Identification of a key contact
  - What is this individual's background?
  - Does this individual hold any professional designations?
  - What is the individual's work experience with property residual markets and/or coastal exposures?
- Team Members
  - Who else will be on the team?
  - What do they offer to the HHRF in terms of ability and experience?
- TPA Experience
  - What other property residual markets does the TPA currently have as clients?
  - What is the TPA's experience with coastal exposures?
  - What is the TPA's experience with condominium master policies?
  - What other obligations does the TPA have in the Hawaii market that could restrict its ability to respond to the HHRF in the event of a hurricane?
  - What contingent resources can the TPA bring to bear in the event of a large natural disaster affecting Hawaii?
  - Please provide examples of placements with large property catastrophe exposures.
- Licensing
  - Is the TPA firm properly licensed and in compliance with all applicable laws in the State of Hawaii?
  - Will TPA firm sign a contract agreeing to comply with all applicable laws and utilize the Hawaii Compliance Express (HCE). The Hawaii Compliance Express is an electronic system that allows the Consultant firm doing business in the State of Hawaii to quickly and easily demonstrate compliance with applicable laws.
- E&O Insurance
  - Does the TPA maintain professional liability insurance and fidelity bonds? Please list and describe any E&O claims in the last five years. Also describe any regulatory issues in the last five years.
- Services – What services would be available to HHRF as a client? How do you charge for your services?



You should also include the following:

- Company Background
- Key Contact Information
  - Experience of key contact including large property catastrophe placements and work with residual markets.
  - Professional certifications and education
  - Information of supporting staff
- Value Added Services
  - What other services could the TPA firm make available to the HHRF at no additional cost?
  - What assistance, solutions and/or strategies can the TPA firm provide as it relates to capacity needs?

## **VII. Evaluation / Decision Criteria**

The HHRF will utilize the following criteria to evaluate each proposal's effectiveness in addressing the objective of the RFP:

- Overall claims management capabilities
- Residual market and catastrophe program experience. Ability to execute complex transactions with a limited budget.
- Design, placement, and servicing of HHRF's claims and emergency management strategy, including phone/servicing center design
- Dedication of resources including the account team members who will be working on the HHRF account.
- Capability to assist in monitoring and managing the claims process in the event of a hurricane.

## **VIII. Disclaimer**

The purpose of this RFP is to outline an orderly process to seek new ideas and new proposals for the Association's reinsurance program. The HHRF Board reserves the right to amend this RFP at any time to best serve the HHRF's reinsurance needs.

## **IX. Non-Disclosure**

Prospective TPA firms who receive information about the HHRF's policies and procedures will be required to execute a non-disclosure agreement. Further, TPA firms may not use the data to make public statements or announcements about the HHRF.