

**BOARD OF DIRECTORS
HAWAII HURRICANE RELIEF FUND (“HHRF”)
MINUTES**

Date: Tuesday, April 14, 2026

Time: 10:30 a.m. (HST)

In-Person Meeting Location: Queen Liliuokalani Conference Room
King Kalakaua Building, First Floor
335 Merchant Street
Honolulu, HI 96813

Virtual: Zoom Meeting
Join Zoom Meeting
Meeting ID: 863 9472 3235
Passcode: 753987

Video Recording: https://youtu.be/vDVUTn0_yKA

Board Members: Ed Haik, Chair (via Zoom); Michael Nonaka, Vice-Chair, Leslie Door; Gwen McDonald; Reina Miyamoto (via Zoom); Marie Weite (via Zoom) (7 members, 4 for quorum)

Members Excused: Scott Saiki, Insurance Commissioner, *ex officio*

Staff Present: Jerry Bump, Chief Deputy Insurance Commissioner; Ashley Tanaka, Deputy Attorney General; Matt Tsujimura (via Zoom); Kelsey Yoshimoto (via Zoom); Tricia Murakami; Jenine Goto

Guests: Collin Lavender, Aon (via Zoom); Ken Lorber, Aon (via Zoom); Scot Sterenberg, Marsh USA LLC; Derek Yang, Marsh USA LLC

I. Roll call, Quorum, Call to Order, Public Notice – HRS § 92-3 Open Meetings. At approximately 10:31 a.m., the meeting commenced. A roll call was taken, and quorum was met. (00:01/1:41:59)

II. Presentation of updates to the proposed Hawaii Hurricane Relief Fund logo. (01:15/1:41:59)

The HHRF may convene an executive session pursuant to HRS § 92-5(a)(4) to consult with the HHRF's attorney on questions and issues pertaining to the HHRF's powers, duties, privileges, immunities, and liabilities.

Chief Deputy Insurance Commissioner Bump summarized changes made since the last board meeting: The ‘okina was corrected to no longer be backwards;

color and black and white versions were created; no copyright issues were uncovered after an extensive search.

At approximately 10:33 a.m., a motion was made by Ms. Door to adopt the Hawaii Hurricane Relief Fund logo as presented, which was seconded by Vice-Chair Nonaka, and approved by the Board. (02:25/1:41:59)

III. Status updates on the procurement of an auditor for the financial statements for the state fiscal year ended June 30, 2026. (03:09/1:41:59)

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Chief Deputy Insurance Commissioner Bump summarized the status of the procurement: the review and selection committees have been formed and the members, including Chair Haik, have signed the necessary forms; the scoring sheets and proposals have been sent to the committee and completed by the members, except for Chair Haik who stated he would complete the necessary forms as soon as possible, after whose completion the procurement will be able to proceed to ranking of proposals and then negotiations for the contract with the selected auditor.

Chief Deputy Insurance Commissioner Bump provided a timeline that ideally the auditor contract would be executed no later than early May to begin audit work timely for the June 30 year end financials.

Ms. Door asked if the Board would need to vote or decide on the proposal with which to proceed. Chief Deputy Insurance Commissioner Bump confirmed that the decision lies with the selection committee, but asked Deputy Attorney General Tanaka if the Board needs to approve the final contract amount; Chief Deputy Insurance Commissioner Bump summarized that internal approval was received from the Head of the Procurement Agency for up to \$100,000, and that the Board has already approved moving forward with the procurement. Deputy Attorney General Tanaka stated that if the Board has already approved proceeding with the procurement, the final contract amount would likely be included in the approval.

Chair Haik asked if a motion is necessary to authorize the selection committee to contract with the selected auditor. Chief Deputy Insurance Commissioner Bump noted it would be the Insurance Division negotiating the contract, for which the Head of the Procurement Agency has authorized the Insurance Commissioner to negotiate. Chief Deputy Insurance Commissioner Bump further elaborated that

the internal state protocols are being followed for approvals, but ultimately the Board's authorization for the Insurance Commissioner or his designee to negotiate and settle on the contract should be sufficient.

At approximately 10:42 a.m., a motion was made by Chair Haik to authorize the Hawaii Insurance Division to contract on behalf of the HHRF for auditing services and that the scoring committee and negotiations may proceed to allow for contracting in early May before the next May board meeting, which was seconded by Ms. Door, and approved by the Board. (9:50/1:41:59)

- IV. Status updates on the procurement of the continuation of Aon Re, Inc.'s consulting services to assist the HHRF restart operations and stabilize Hawaii's property insurance market. (11:55/1:41:59)

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Chief Deputy Insurance Commissioner Bump summarized Deputy Attorney General Tanaka's earlier research and recommendation to proceed with re-contracting with Aon Re, Inc. on a sole source procurement basis without opening competitive bidding, because there is expertise within Aon Re, Inc., particularly with Paul Eaton. He recommended that the Board consider and decide whether to proceed with the sole source procurement for Aon Re, Inc; he further outlined that the procurement would fall to the Insurance Division, likely with the assistance of Marsh USA LLC, for completion of the necessary sole source procurement justification forms.

Ms. Door asked if the Board would need to vote on the parameters of the contract. Chief Deputy Insurance Commissioner Bump reminded the Board that the previous contract with Aon Re, Inc. used a flat fee. He recommended that, as an on-going consulting arrangement, a new sole source contract with Aon Re, Inc. should be structured as an hourly agreement, but it would have to be capped because a state contract cannot be open-ended and must have a maximum compensation amount. He outlined that the maximum amount and the performance period are two items in the sole source exemption request that would need to be submitted to the procurement office, on which the Board could decide.

At approximately 10:48 a.m., a motion was made by Vice-Chair Nonaka to enter an executive session for the Board and Insurance Division staff to discuss with Deputy Attorney General Tanaka sole source contracting with Aon Re, Inc., which was seconded by Ms. Door, and approved by the Board. (17:01/1:41:59)

At approximately 11:16 a.m., the executive session was concluded. Chair Haik summarized the session concluded with the Board's decision to proceed with a sole source contract with Aon Re, Inc. Discussion ensued on the addition of travel and expenses to, or the inclusion in, a maximum compensation of \$100,000 in any one year of the sole source contract. (45:25/1:41:59)

At approximately 11:18 a.m., a motion was made by Chair Haik to proceed with a sole source contract with Aon Re, Inc. for a maximum of \$100,000 in any one year, inclusive of travel and expenses, which was seconded by Vice-Chair Nonaka, and approved by the Board. (49:20/1:41:59)

- V. Status updates on the April 6, 2026 House Committee on Consumer Protection & Commerce-Senate Committee on Commerce and Consumer Protection (CPC-CPN) Joint Legislative Committee Info Briefing Update on the Hawaii Property Insurance Association, the HHRF, and flood insurance. (51:01/1:41:59)

Chair Haik stated he was present at the briefing for the HHRF portion and summarized his belief that the HHRF presentation was well-received and provided feedback on one of the slides related to declinations in the slide deck for future briefings. Discussion ensued on the relevance of, and the level of detail currently needed for presenting the number of declinations as the number has not changed since the start-up of the HHRF.

Mr. Sterenberg updated the Board that the issue of flood insurance took up most of the briefing and that the legislators' questions were answered in the briefing and in subsequent conversations.

- VI. Status updates on the procurement of an operations administrator for the Hawaii Hurricane Relief Fund effective June 14, 2026. (55:01/1:41:59)

The HHRF may convene an executive session pursuant to HRS § 92-5(a)(4) to consult with the HHRF's attorney on questions and issues pertaining to the HHRF's powers, duties, privileges, immunities, and liabilities.

- A. The current contract with Marsh USA, LLC, as operations administrator is effective July 2, 2025, and ends on June 14, 2026, but it may be extended without the need of re-soliciting, provided the HHRF informs Marsh USA, LLC, in writing at least sixty (60) days prior to the expiration of the contract, which is by Wednesday, April 15, 2026. The contract allows the HHRF to extend the term more than once, but the total aggregate period of such extensions shall not exceed sixty (60) months.

Chair Haik expressed an inclination to continue with a one-year extension and one-year contracts with most providers to maintain flexibility.

Mr. Sterenberg provided further details on the current Marsh USA, LLC contract: it is a one-year contract with extensions available up to an aggregate of five years with no change in the flat fee amount, with components for actuarial services, if needed and invoiced if incurred, and start-up costs, which have already been incurred.

Chief Deputy Insurance Commissioner Bump asked for clarification on whether the actuarial services in the contract include preparing rate filings for the HHRF. Mr. Sterenberg answered that the actuarial services in the contract were for the actuarial determination for the HHRF, and that they would be more specific to the development of the financials, such as for the calculation of reserves.

At approximately 11:31 a.m., a motion was made by Ms. Door to extend the contract for one year, which was seconded by Vice-Chair Nonaka, and approved by the Board. (1:00:01/1:41:59)

- VII. Status updates from operations administrator Marsh USA, LLC regarding deliverables under the Request for Proposal dated May 21, 2025, to provide program administration and actuarial services to the HHRF. (1:01:01/1:41:59)

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- A. Review of program uptake statistics. (1:01:35/1:41:59)

Mr. Yang presented the HHRF uptake statistics as of April 3, 2026.

- B. Updates for financial review. (1:03:23/1:41:59)

Discussion ensued on the HHRF's performance and on future potential changes to the presentation of amounts.

- C. Discussion on a survey of agents. (1:14:01/1:41:59)

Mr. Yang noted the impetus of a survey of agents was as a potential solution to previous perceived resistance to providing data to Marsh USA, LLC due to its appearance as a competitor; Mr. Yang summarized, however, there have since been improvements as Ms. Fabry of Marsh USA, LLC recently noted that agents have recently been willing to share market data with the HHRF administrator to facilitate presentations. Mr. Sterenberg added Insurance Associates was very helpful in providing information needed for the April 6, 2026, House Committee on Consumer Protection & Commerce-Senate Committee on Commerce and Consumer Protection (CPC-CPN) Joint Legislative Committee Info Briefing.

- VIII. Status updates from consultant Aon Re, Inc. regarding deliverables under the Request for Proposal dated November 8, 2024, to assist the HHRF restart operations and stabilize Hawaii's property insurance market. (1:16:18/1:41:59)

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Mr. Lorber presented a timeline of reinsurance placement process, the data collected, the catastrophe modeling used to help determine the reinsurance structure options, and comparisons to the current HHRF reinsurance program.

- A. Review and vote on the Reinsurance Renewal Structure Options. (1:24:25/1:41:59)

Mr. Lorber provided Aon Re, Inc.'s recommendation to the HHRF to lower the HHRF's risk retention due to the lower projected number of policies to be issued in 2026, keeping the cost of reinsurance the same or more

competitive. Mr. Lorber presented two reinsurance renewal structure options for the Board.

Mr. Lorber provided Aon Re, Inc.'s recommendation to the Board to proceed with having the more expensive of the two options quoted first, which is the lower HHRF retention, to try to get the lowest cost of capital for the HHRF, with the idea of adjusting or potentially asking reinsurers to be more aggressive with pricing if it is high.

Ms. Door asked if there is a reinstatement for the reinsurance. Mr. Lorber confirmed there is one reinstatement.

- B. Vote to approve Reinsurance Submission and Reinsurance Marketing List. (1:36:50/1:41:59)

At approximately 12:06 p.m., a motion was made by Ms. Door to approve Aon Re, Inc.'s recommendation of Aon Re, Inc.'s proceeding with making a submission on behalf of the HHRF to reinsurers to obtain quotes for the more expensive HHRF reinsurance structure option, Option B, which was seconded by Vice-Chair Nonaka, and approved by the Board. (1:36:50/1:41:59)

Chair Haik asked if, and Mr. Lorber confirmed that all reinsurers that will be approached are rated A minus or better.

- IX. Proposed dates for upcoming meetings: (1:40:04/1:41:59)

- A. Tuesday, May 12, 2026, at 10:30 a.m.
- B. Tuesday, June 9, 2026, at 10:30 a.m.
- C. Tuesday, July 14, 2026, at 10:30 a.m.
- D. Tuesday, August 11, 2026, at 10:30 a.m.
- E. Tuesday, September 8, 2026, at 10:30 a.m.
- F. Tuesday, October 13, 2026, at 10:30 a.m.
- G. Tuesday, November 10, 2026, at 10:30 a.m.
- H. Tuesday, December 8, 2026, at 10:30 a.m.

- X. Review and approval of prior Board meeting minutes (for which a motion, a second, and a vote are required): (1:40:18/1:41:59)

- A. March 10, 2026.

At approximately 12:10 p.m., a motion was made by Vice-Chair Nonaka to approve the meeting minutes for March 10, 2026, which was seconded by Ms. Weite, and approved by the Board. (1:40:18/1:41:59)

At approximately 12:11 p.m., Chair Haik asked for public comment, for which there was none. (1:41:10/1:41:59)

XI. Adjournment.

Chair Haik adjourned the meeting at approximately 12:12 p.m. (1:41:45/1:41:59)