

October 15, 2025

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

King Kalakaua 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. Todd Feltman called the meeting to order at 10:01 a.m.

Members Present:

Todd Feltman (State Farm)
Reid Higashi (Business Insurance Services, Inc.)
Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)
Kim Sato (Farmers Hawaii)

Others Present:

Jerry Bump (DCCA/Insurance Division)
Thomas Assad (AIPSO)
Natalie Benkovich (AIPSO)
Jim Chrones (AIPSO)
Caren Kerman (AIPSO)
Andrea Olson (AIPSO)

Members Absent:

Lance Kawano (First Insurance Company of Hawaii)
Lane Nishioka (Island Insurance)

II. Reading of Antitrust Statement (00:01:13)

The antitrust statement was read by Mr. Todd Feltman 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 discussion or agreements or concerted actions that may restrain competition. This prohibition includes the exchange of information concerning individual company rates, coverages, market practices, claim

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 (00:01:56)

Ms. Chenise Morrow-Blalock moved to approve the meeting minutes from July 16, 2025. Ms. Kim Sato seconded the motion. With no members objecting, the motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:02:40)

Mr. Jerry Bump presented the financial reports, noting that the cash flow is being monitored and is slightly more negative than projected. The board reached a consensus to wait until the January meeting to determine the need for an assessment, which would align with the timing of the annual true-up.

A discussion was held regarding the threshold for reporting large claims. The board agreed that for cash flow projection purposes, claims with a total exposure over \$300,000 should be included. Additionally, the board requested that AIPSO provide a high-level, anonymized report of all claims exceeding \$100,000 for the board's awareness at future meetings.

V. Election of 2026 Officers (00:13:21)

In keeping with the practice of rotating offices, Mr. Todd Feltman moved to nominate Ms. Chenise Morrow-Blalock as Chair and Mr. Reid Higashi as Vice Chair for 2026. Ms. Kim Sato seconded the motion. The motion passed unanimously.

VI. Additional Items for Discussion (00:15:21)

A. Servicing Provider Update (00:15:44)

Ms. Caren Kerman provided an update on personal auto policies, reporting that as of the end of September 2025, there are 11 personal policies, 976 CPAI policies, and 3 OT policies in force.

Mr. Jerry Bump reported that the legal contracts for AIPSO to take over the commercial block effective January 1, 2026, are expected to be executed within the next week. AIPSO confirmed they are on track for the transition and will begin testing the new commercial system, Galaxy, next week.

Mr. Todd Feltman outlined State Farm's plan for the transition, which includes sending pre-non-renewal letters to policyholders and producers. He clarified that policies will not automatically roll over and producers must initiate new applications with AIPSO.

B. Proposal – Elimination of Experience Rating Plan (00:29:44)

Ms. Andrea Olson presented a proposal to eliminate the experience rating plan rule. Reasons for the proposal include addressing fraud, the difficulty in obtaining prior loss experience, and creating uniformity with other plans. It was noted that the change would have a minimal impact, as only three current policies are experience rated. Ms. Kim Sato moved to recommend the proposal to the Commissioner for approval. Ms. Chenise Morrow-Blalock seconded the motion. The motion passed unanimously.

C. Proposal – Commercial Driver Training Program Rating for Trucks (00:32:48)

Ms. Andrea Olson presented a proposal to introduce a specific rating for commercial driver training schools, which was prompted by an increased number of such risks. The proposal introduces a rating that has already been approved and utilized by the Insurance Division for individual risk submissions. Mr. Reid Higashi moved to recommend the proposal to the Commissioner for approval. Ms. Kim Sato seconded the motion. The motion passed unanimously.

VII. Next Meeting (00:34:45)

The next meeting is scheduled for Wednesday, January 21, 2026, at 9:00 a.m.

VIII. Adjournment (00:35:30)

The meeting was adjourned at 10:36 a.m.