

BOARD OF GOVERNORS  
HAWAII JOINT UNDERWRITING PLAN  
INSURANCE DIVISION  
P. O. Box 3614  
HONOLULU, HI 96811

A G E N D A

Date: January 17, 2024

Time: 9:00 a.m.

In-Person Meeting Location: PVL Examination Room  
King Kalakaua Building, 3<sup>rd</sup> Floor  
335 Merchant Street, Room 330  
Honolulu, HI 96813

Virtual Participation: Virtual Videoconference Meeting – [Zoom Link](#)

Phone: 1-669-900-6833  
Meeting ID: 868 8143 8145  
Passcode: 579491

Reasonable accommodations for people with disabilities are available upon request. Requests for accommodations should be submitted via e-mail to [jbump@dcca.hawaii.gov](mailto:jbump@dcca.hawaii.gov) or by calling Jerry Bump at 808-586-0985 (voice). Such requests should include a detailed description of the accommodation needed. In addition, please include a way for the Hawaii Insurance Division to contact the requester if more information is needed to fulfill the request. Last minute requests will be accepted but may not be possible to accommodate.

**BOARD PACKET MATERIALS WILL BE POSTED AT**  
[State of Hawaii Calendar of Events](#)

- I. Call to Order
- II. Reading of Antitrust Statement
- III. Approval of Minutes – October 17, 2023
- IV. Financial Reports from the Hawaii Joint Underwriting Plan
- V. Additional Items for Discussion

- A. AIPSO Proposal – Commercial Auto Application Changes
- B. AIPSO Proposal – Electronic Option for Submission of Policy Change Requests
- C. Servicing Provider Update from AIPSO
- D. AIPSO Residual Market Forum – April 24, 2024

VI. Next Meeting – Wednesday, April 17, 2024, 9:00 a.m.

VII. Adjournment

Public Testimony:

If you wish to submit written testimony on any agenda item, you may do so via:

1. Email at [jbump@dcca.hawaii.gov](mailto:jbump@dcca.hawaii.gov)
2. Postal mail to: Hawaii Joint Underwriting Plan, 335 Merchant St. Room 213, Honolulu, HI 96813

We request submission of written testimony at least 24-hours prior to the start of the meeting to ensure that it can be distributed to Board Members. Written testimony will only be accepted for the items listed on the meeting agenda. Written public testimony submitted will be treated as public record and any contact information contained therein may be available for public inspection and copying. For both internet or phone access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent.

Internet Access

To view the meeting and provide live verbal testimony, please use the Zoom link at the top of the agenda.

Phone Access

You may attend this meeting with audio-only access by calling the phone number listed above. You may be prompted to enter the meeting ID and passcode; both are provided underneath the phone number on this agenda.

Lost Connectivity

If the Agency’s Interactive Conference Technology (ITC) connection for the remote meeting is lost, the meeting will be recessed for up to 30-minutes until the connection is restored. In the event the Agency is only able to re-establish an audio connection, the meeting will continue as audio-only. To connect via audio-only, call in using the Phone number listed above. If the meeting cannot be properly restored within 30-minutes, the meeting will automatically be cancelled and rescheduled to a later date and time to be posted on the State of Hawaii Public Meetings website @ <https://calendar.ehawaii.gov/calendar/>.

Physical Meeting Location

Location open to the public that has an audiovisual connection at the In-Person Meeting Location listed above.

October 17, 2023

BOARD OF GOVERNORS  
HAWAII JOINT UNDERWRITING PLAN

James Kaliokalani Room  
King Kalakaua Building, 1st Floor  
335 Merchant Street  
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

**I. Call to Order (00:00:07)**

Ms. Kim Sato called the meeting to order at 9:02 a.m.

Members Present:

Todd Feltman (State Farm)

Reid Higashi (Business Insurance Services, Inc.) – Present via phone. Able to listen, but not able to participate in discussion or vote.

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)

Claire Taise-Chee (DCCA/Insurance Division)

Thomas Assad (AIPSO)

Natalie Benkovich (AIPSO)

Alicia Hanson (AIPSO)

Tracy Walsh (AIPSO)

Members Absent:

Maria Carvalho

**II. Reading of Antitrust Statement (00:03:17)**

The antitrust statement was read by Ms. Sato 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 (00:04:03)**

Ms. Blalock moved to approve the meeting minutes from July 26, 2023. Mr. Nishioka seconded the motion. The motion passed with members Kawano, Blalock, Nishioka, and Sato voting in favor and Mr. Feltman abstaining because he was not present at the July 26, 2023 meeting. Mr. Higashi was present via phone but did not vote.

**IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:05:28)**

Mr. Assad said the board will probably be in a position at the next meeting to determine whether an assessment will be needed next year. AIPSO will let the board know at the next meeting the amount of the assessment and when it would be issued.

**V. Items for Discussion**

**A. Servicing of PP and CPAI - Update from AIPSO (00:11:12)**

Ms. Walsh reported on private passenger processing noting a leveling off for the period ending September 30, 2023. She added that AIPSO and IC International have been working very well together.

**B. Servicing of Commercial Business – Updates from Insurance Division/AIPSO (00:15:07)**

Mr. Bump provided background on an agreement with IC International and State Farm, executed with AIPSO’s help, allowing First Insurance and Island Insurance to exit as servicing carriers. Mr. Bump stated that, effective October 1, 2023,

Island Insurance is no longer renewing commercial policies and State Farm is the sole servicing provider for commercial, using IC International to work with the agent community to get the policies underwritten and sent to State Farm for processing, with the business being submitted through AIPSO's EASi system.

Ms. Benkovich provided an update regarding producer training, feedback from producers with additional questions, training for IC International, and applications received since EASi went live on October 1, noting that the transition has been going well.

In response to Mr. Bump's question as to whether AIPSO could provide an update as to when they will be able to take on the commercial business so that State Farm can exit, Mr. Assad said that AIPSO should be able to provide a date certain in about a month, but definitely by the next meeting.

**C. Election of 2024 Officers (00:23:16)**

In keeping with the past practice of rotating offices among the represented companies, Ms. Blalock moved to nominate Mr. Kawano as Chair and Mr. Nishioka as Vice Chair for 2024. Mr. Feltman seconded the motion. The motion passed with members Feltman, Kawano, Blalock, Nishioka, and Sato voting in favor. Mr. Higashi was present via phone but did not vote.

**VI. Next Board Meeting (00:27:15)**

January 17, 2024 at 9:00 a.m.

**VII. Adjournment (00:27:23)**

The meeting was adjourned at 9:29 a.m.



*"Serving the Insurance Industry"*

January 4, 2024

Jerry Bump  
Insurance Division  
PO Box 3614  
Honolulu, HI 96811-3614

**RE: HJUP Cash Flow Projection – As of October 2023**

Dear Jerry:

Attached is a twelve-month cash flow history to help you better estimate the timing and amount of future assessments for the HJUP. Based upon the last twelve months of activity, the monthly average cash flow projection indicates that the average cash outflow will be approximately \$67,960 per month, which excludes the assigned claims assessment. We have a \$2,687,727 available balance as of October 31, 2023.

AIPSO reviewed the cash position and required policy year settlements which occur when a policy year is dropped from the books. We estimated the expected outflows for the next 3 years (see attached) for both operational and policy year drop. As of December 2026, the HJUP cash balance is estimated to be \$33,564. While this projection provides a gauge of expected cash flow, it is not scientific and is not based on an actuarial review of the HJUP book of business. As a result, we feel going beyond 3 years may further distort its value.

This Cash Flow also includes the new AIO-HI program expenses projected for the year.

Please review the cash flow projection. If you have any questions, I can be reached at 401-429-1417 or at [Victoria.Ivanov@aipso.com](mailto:Victoria.Ivanov@aipso.com) with preparation questions.

Sincerely,

*Victoria Ivanov*

Victoria Ivanov,  
Financial and Investment Services-Accounting- Supervisor

CC: T. Assad D. Maynard E. Sullivan M. Lapierre K. Leite

**HAWAII JUP  
ANALYSIS OF CASH  
MONTHLY BREAKDOWN  
October 1, 2022- October 31, 2023**

	BALANCE 10/31/22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	TOTALS
<b>RECEIPTS:</b>														
1 PREMIUM COLLECTIONS		148,725	170,069	140,671	92,642	224,889	117,830	125,775	441,924	294,877	205,402	82,928	81,255	2,126,987
2 COMMISSIONS RETURNED		0	55	103	116	226	0	0	0	206	0	704	816	2,226
3 INTEREST COLLECTED		8,443	9,565	9,843	8,800	9,818	9,802	10,399	9,783	10,452	10,517	10,261	10,652	118,335
5 ASSESSMENT INCOME		0	0	0	10,503	219,764	1,245	66,489	0	0	0	3,209	1,448	302,658
6 MEMBERSHIP FEE INCOME		0	0	0	0	0	0	0	0	0	360,000	0	0	360,000
7 LATE FEE INCOME		0	0	0	0	50	0	1,595	0	0	50	0	0	1,695
8 SAL/SUB& O/T-LOSS RECOVERIES		16,412	100	150	3,000	0	75	10,050	0	10,000	6,195	0	200	46,182
9 ASSIGN. CLAIMS SAL/SUB		0	150	350	400	290	400	2,250	800	500	500	450	350	6,440
10 STAT SUMMARY/INVEST INCOME-		0	0	0	0	0	13,199	0	24,723	0	0	7,826	9,210	54,958
11 GAIN/LOSS ON INVEST & AMORT		0	0	0	0	0	0	0	0	0	0	0	0	0
12 MISC INCOME-Pymt of a Distribution		0	0	0	0	0	0	0	0	0	0	0	0	0
13 RETRO ACTIVE FEE INCOME		0	0	0	0	0	0	0	0	0	64,897	0	0	64,897
<b>TOTAL RECEIPTS</b>		173,580	179,939	151,117	115,461	455,037	142,551	216,558	477,230	316,035	647,561	105,378	103,931	3,084,378
<b>EXPENSES:</b>														
14 POLICYHOLDERS REFUNDS		51,477	16,709	11,930	1,827	22,109	12,435	20,510	21,200	12,958	29,203	26,853	15,416	242,627
15 PRODUCER COMMISSIONS		9,544	6,688	4,238	5,092	6,431	12,608	3,150	7,052	26,932	14,103	20,774	6,630	123,242
16 CLAIMS REIM TO VOL CARR		67,518	161,723	71,912	318,972	237,858	172,499	161,200	93,579	397,206	162,343	82,297	97,127	2,024,234
17 ASSIG. CLAIMS DRAFTS CASHED		20,376	450	2,666	94	0	55	0	650	0	0	412	2,894	27,597
18 TRANSFERS TO S/C		0	0	0	0	0	0	0	0	0	0	0	0	0
19 SERVICING CARRIER FEES		26,048	49,850	15,666	25,941	34,427	23,012	176,837	1,717	35,129	82,798	71,181	83,913	626,519
20 INTEREST PAID ON INVEST/AMORT		0	0	0	0	0	0	0	0	0	0	0	0	0
21 ASSESSMENT DISTRIBUTION		4,313	198	133	0	1,105	0	0	0	0	0	0	3,715	9,464
22 AIPSO-S/R & C/P FEES & OTHER		63,060	8,880	47,712	31,491	66,147	25,126	39,929	87,146	23,472	35,424	32,129	87,220	547,736
<b>TOTAL EXPENSES</b>		242,336	244,498	154,257	383,417	368,077	245,735	401,626	211,344	495,697	323,871	233,646	296,915	3,601,419
<b>NET CASH FLOW - INCL ASST INCOME</b>		(68,756)	(64,559)	(3,140)	(267,956)	86,960	(103,184)	(185,068)	265,886	(179,662)	323,690	(128,268)	(192,984)	(517,041)
<b>NET CASH FLOW - EXCL ASST INCOME</b>		(64,443)	(64,361)	(3,007)	(278,459)	(131,699)	(104,429)	(251,557)	265,886	(179,662)	323,690	(131,477)	(190,717)	(810,235)
<b>ENDING CASH &amp; INVESTMENTS</b>	<b>3,174,667</b>	3,105,911	3,041,352	3,038,212	2,770,256	2,857,216	2,754,032	2,568,964	2,834,850	2,655,188	2,978,878	2,850,610	2,657,626	

\*\* Timing Difference consists of the  
Outstanding Transfers and Disbursement Checks

\*\* 30,101

Actual Cash Balance as of October 2023

2,687,727

## HAWAII JUP CASH FLOW PROJECTION - AS OF OCTOBER 2023

Net Cash Flow for 12 months	<b>Excl Assessments</b>
	Nov-22 \$ (64,443.00)
	Dec-22 \$ (64,361.00)
	Jan-23 \$ (3,007.00)
	Feb-23 \$ (278,459.00)
	Mar-23 \$ (131,699.00)
	Apr-23 \$ (104,429.00)
	May-23 \$ (251,557.00)
	Jun-23 \$ 265,886.00
	Jul-23 \$ (179,662.00)
	Aug-23 \$ 318,407.00
	Sep-23 \$ (131,477.00)
	Oct-23 \$ (190,717.00)
	<b>\$ (815,518.00) Sub total</b>
	\$ (815,518.00)
	12
<b>Average Cash Outflow per Month:</b>	<b>\$ (67,959.83)</b>
<b>Cash Ending Balance as of OCTOBER 2023:</b>	<b>2,687,727</b>
<b>2023</b>	
Expected Operational Cash Activity (Nov-Dec 2023)	\$ (135,919.66)
On Island Presence- Commercial (Oct-Dec 2023)	\$ (87,500.01)
<b>Estimated Cash Position as of Dec 2023</b>	<b>\$ 2,464,307.33</b>
<b>2024</b>	
Expected Operational Cash outflow	\$ (815,518.00)
On Island Presence- Commercial	\$ (350,000.00)
Policy Year Drop 2012 owed Hawaii JUP	\$ 397,355.00
<b>Estimated Cash Position as of Dec 2024</b>	<b>\$ 1,696,144.33</b>
<b>2025</b>	
Expected Operational Cash outflow	\$ (815,518.00)
On Island Presence- Commercial	\$ (350,000.00)
Policy Year Drop 2013 owed Hawaii JUP	\$ 260,540.00
<b>Estimated Cash Position as of Dec 2025</b>	<b>\$ 791,166.33</b>
<b>2026</b>	
Expected Operational Cash outflow	\$ (815,518.00)
On Island Presence- Commercial	\$ (350,000.00)
Policy Year Drop 2014 owed Hawaii JUP	\$ 407,916.00
<b>Estimated Cash Position as of Dec 2026</b>	<b>\$ 33,564.33</b>
<b>Estimated Cash Position as of Dec 2026</b>	<b>\$ 33,564.33</b>
<b>PROJECTED PROGRAM EXPENSES</b>	
On Island Presence- Commercial	\$ (350,000.00)
	12
	<b>\$ (29,166.67)</b>



January 3, 2024

Jerry Bump  
Insurance Division  
Hawaii Department of Commerce and Consumer Affairs  
PO Box 3614  
Honolulu, HI 96811-3614

**RE: HJUP - FINANCIAL STATEMENTS – QUARTER ENDING 09/30/2023**

Dear Jerry:

Attached are the Hawaii Joint Underwriting Plan financial statements for the period ended **September 30, 2023**. The reporting requirement that breaks down the information into four separate classes was effective January 1, 2008. The four class reports will not balance to the fiscal year to date consolidated information for several reasons.

1. The premium deficiency reserve, claim service fee reserve and anticipated salvage and subrogation reserves computed by AIPSO do not contain a breakout of private passenger business between the high risk and other private passenger classifications. Therefore, the entries for these reserves are only allocated to the class level for Commercial and CPAI business. The difference in the change in reserves attributed to Private Passenger High Risk and Private Passenger other business, which cannot be allocated, are as followed:
  - Loss Reserves and Losses Incurred – \$3,898
  - Premium Deficiency Reserve - \$0
  - Servicing Carrier Fees Claim LAE- \$100
2. Also, some general ledger accounts, such as interest income, bureau expenses, bank charges, etc. are not able to be split out by the four classes due to the nature of the account activity. We have not allocated these general income and expense items on the class exhibits.
3. The class reports are provided to allow the department to review the pure results of the HJUP business by class, without distortions, which would have occurred from the allocation of some non-class specific results.

The financial statements included are as follows:

**BALANCE SHEET – CONSOLIDATED**

**STATEMENT OF INCOME AND EXPENSES - CONSOLIDATED AND BY CLASS**

**STATEMENT OF OTHER THAN UNDERWRITING EXPENSES - CONSOLIDATED**

**QUARTERLY EXHIBIT OF RESERVES - CONSOLIDATED AND BY CLASS**

**QUARTERLY RESULTS OF OPERATIONS - CONSOLIDATED AND BY CLASS**

If you have any questions, please feel free to call me at (401) 429-1417.

Sincerely,

*Victoria Ivanov*

Victoria Ivanov,  
Financial and Investment Services-Supervisor,

cc: Gordon Ito, HJUP  
Thomas Assad, AIPSO  
Kim Caputo, AIPSO  
David Maynard, AIPSO  
Ed Sullivan, AIPSO  
Michelle Lapierre, AIPSO

Attachments

**HAWAII JOINT UNDERWRITING PLAN  
CONSOLIDATED BALANCE SHEET  
SEPTEMBER 30, 2023**

	9/30/2023	9/30/2022
<u>Assets</u>		
<u>Cash (Overdraft)</u>		
Central Bank	\$ (78,902.50)	\$ (39,157.75)
Central Processor	-	-
Concentration Account	566,272.53	203,006.15
Servicing Carrier - Depository Cash	70,764.55	128,788.03
Servicing Carrier - Checks Outstanding	(69,055.22)	(41,795.83)
Servicing Carrier - Claims	(3,839.44)	-
Total Cash (Overdraft)	485,239.92	250,840.60
Investments	2,397,599.72	3,332,969.23
<u>Accounts Receivable</u>		
Servicing Carriers Premium Accounts	332,180.77	109,538.86
Cr Cards - State National	8,628.00	(662.75)
Salvage and Subrogation	-	(0.00)
Assigned Claims Program	245,285.04	298,160.76
Member Company	1,448.00	17,594.00
Accrued Interest	-	-
Late Payment Penalty Fees	100.00	100.00
Other	-	-
Installment Fees - State National	36.75	4.00
Due from Other JUA Plans	-	-
Total Accounts Receivable	587,678.56	424,734.87
Claim Service Fee Reserve	206,279.00	252,518.00
Total Assets	\$3,676,797.20	\$4,261,062.70
<u>Liabilities &amp; Members' Equity (Deficit)</u>		
Loss Reserves (Incl IBNR)	\$ 1,585,764.48	\$ 2,058,783.74
Allocated LAE Reserve	2,331.90	-
Unearned Premium Reserve	1,674,504.31	1,598,717.56
Premium Deficiency Reserve	178,107.00	324,659.00
Outstanding Drafts	138,394.11	133,015.36
Outstanding Drafts - Assigned Claims	419.29	2,286.32
Escheat Reserves	65,395.30	67,267.93
<u>Accounts Payable</u>		
Servicing Carrier Fees- Claims	51,550.86	65,030.29
Servicing Carrier Fees- Operating	40,752.88	68,951.26
Unallocated Claim Expense Allowance	8,322.58	6,442.05
AIPSO	75,225.80	66,475.76
Commissions	(3,991.19)	3,486.63
Advanced Premium Collections	-	34,615.00
Other	16,703.30	2,500.00
Total Accounts Payable	188,564.23	247,500.99
Total Liabilities	3,833,480.62	4,432,230.90
Members' Equity (Deficit)	(156,683.42)	(171,168.20)
Total Liabilities & Members' Equity (Deficit)	\$3,676,797.20	\$4,261,062.70

**HAWAII JOINT UNDERWRITING PLAN**  
**CONSOLIDATED STATEMENT OF INCOME AND EXPENSES**  
**YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Quarter Ending Current	Quarter Ending Prior	Fiscal Year to Date Current	Fiscal Year to Date Prior	Fiscal year to Date Change	%
<u>Underwriting Income:</u>						
Premium Written	\$857,165.00	\$726,419.55	\$3,191,269.14	\$3,303,893.61	(\$112,624.47)	-3.41%
Change in Unearned Premiums	69,895.10	(135,827.75)	75,786.75	(282,049.67)	357,836.42	-126.87%
Premiums Earned	787,269.90	862,247.30	3,115,482.39	3,585,943.28	(470,460.89)	-13.12%
<u>Deductions:</u>						
Losses Paid	556,239.34	236,663.77	1,896,693.12	1,628,617.89	268,075.23	16.46%
Change in Loss Reserves	(82,217.71)	332,083.53	(473,019.26)	246,426.60	(719,445.86)	-291.95%
Losses Incurred	474,021.63	568,747.30	1,423,673.86	1,875,044.49	(451,370.63)	-24.07%
Allocated LAE Paid	-	-	-	-	-	0.00%
Change in Allocated LAE Reserves	1,703.40	-	2,331.90	-	2,331.90	0.00%
Allocated LAE Incurred	1,703.40	-	2,331.90	-	2,331.90	0.00%
Change in Premium Deficiency Reserve	5,991.00	(7,301.00)	(146,552.00)	(28,006.00)	(118,546.00)	423.29%
Servicing Carrier Fees - Claims LAE	112,181.02	80,986.40	412,228.46	366,695.20	45,533.26	12.42%
Servicing Carrier Fees - Operating	36,373.78	88,905.21	279,853.40	311,710.39	(31,856.99)	-10.22%
Commissions Written	30,415.48	22,814.90	112,370.09	105,908.68	6,461.41	6.10%
DMV Surcharge Fees	598.66	-	1,037.46	-	1,037.46	0.00%
Total Underwriting Deductions	661,284.97	754,152.81	2,084,943.17	2,631,352.76	(546,409.59)	-20.77%
Net Underwriting Gain (Loss)	125,984.93	108,094.49	1,030,539.22	954,590.52	75,948.70	7.96%
Investment Income	31,229.96	15,751.89	115,150.49	19,869.78	95,280.71	479.53%
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00	0.00%
<u>Other Income (Expenses):</u>						
Misc. Income	0.00	0.00	(210.00)	(229.00)	19.00	-8.30%
Membership Fees	0.00	0.00	360,000.00	356,000.00	4,000.00	1.12%
Late Penalty Fees	-	0.00	1,745.44	250.00	1,495.44	598.18%
Commissions Charged Off	-	(12.85)	(417.58)	(94.82)	(322.76)	340.39%
Premiums Charged Off	(2,180.96)	(299.68)	(2,871.46)	(1,113.40)	(1,758.06)	157.90%
Premiums Charged Off - CPAI	(273,877.00)	(276,793.42)	(1,002,320.37)	(1,166,342.48)	164,022.11	-14.06%
Fronting Co Fees - AIO HI	(54,914.64)	(18,371.90)	(62,936.06)	(18,746.30)	(44,189.76)	235.73%
Other than Underwriting Expenses	29,026.99	(98,135.67)	(276,071.90)	(285,476.47)	9,404.57	-3.29%
Total Other Income (Expenses)	(301,945.61)	(393,613.52)	(983,081.93)	(1,115,752.47)	132,670.54	-11.89%
Net Gain (Loss)	(\$144,730.72)	(\$269,767.14)	\$162,607.78	(\$141,292.17)	\$303,899.95	-215.09%

**HAWAII JOINT UNDERWRITING PLAN**  
**CONSOLIDATED STATEMENT OF OTHER THAN UNDERWRITING EXPENSES**  
**YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Quarter Ending Current	Quarter Ending Prior	Fiscal Year to Date Current	Fiscal Year to Date Prior	Fiscal Year to Date Change	%
Salaries	\$ 2,500.00	\$ 2,500.00	\$ 10,000.00	\$ 10,000.00	-	0.00%
Software Equipment	20,158.80	18,902.37	77,144.99	75,067.60	2,077.39	2.77%
Central Processor	44,628.74	41,381.73	171,190.70	139,858.64	31,332.06	22.40%
Bank and Finance Charges	1,689.48	2,851.58	10,980.49	9,956.92	1,023.57	10.28%
Rate making Expense	-	-	7,260.00	7,260.00	-	0.00%
Bad Debt	(130,504.00)	0.00	(130,504.24)	(0.01)	(130,504.23)	1305042300.00%
Misc Shared Resources	7,500.00	7,500.00	30,000.00	10,000.00	20,000.00	200.00%
Other	24,999.99	24,999.99	99,999.96	33,333.32	66,666.64	200.00%
<b>Total Other Than Underwriting Expenses</b>	<b>\$ (29,026.99)</b>	<b>\$ 98,135.67</b>	<b>\$ 276,071.90</b>	<b>\$ 285,476.47</b>	<b>\$ (9,404.57)</b>	<b>-3.29%</b>

**HAWAII JOINT UNDERWRITING PLAN  
CONSOLIDATED EXHIBIT OF RESERVES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 1,598,717.56	\$ (172,050.06)	\$ (36,704.68)	\$ 214,646.39	\$ 69,895.10	\$ 1,674,504.31
Premium Deficiency Reserve	324,659.00	(32,965.00)	5,627.00	(125,205.00)	5,991.00	178,107.00
Loss Reserves	\$ 1,580,797.74	\$ 86,721.84	\$ (514,400.10)	\$ (88,644.29)	\$ (353,067.71)	\$ 711,407.48
IBNR Loss Reserves	600,701.00	(185,382.00)	198,315.00	107,783.00	261,460.00	982,877.00
Anticipated Salvage and Subrogation	(122,715.00)	435.00	10,357.00	(5,987.00)	9,390.00	(108,520.00)
Loss Reserves including IBNR:	<u>\$ 2,058,783.74</u>	<u>\$ (98,225.16)</u>	<u>\$ (305,728.10)</u>	<u>\$ 13,151.71</u>	<u>\$ (82,217.71)</u>	<u>\$ 1,585,764.48</u>
Allocated LAE Reserves	\$0.00	\$500.00	(\$299.00)	\$427.50	\$1,703.40	\$ 2,331.90

**HAWAII JOINT UNDERWRITING PLAN**  
**CONSOLIDATED QUARTERLY RESULTS OF OPERATION**

	Quarter Ending Sep 2023	Quarter Ending Jun 2023	Quarter Ending Mar 2023	Quarter Ending Dec 2022	Quarter Ending Sep 2022
<u>Underwriting Income:</u>					
Premium Written	\$857,165.00	\$957,005.53	\$739,463.84	\$637,634.77	\$726,419.55
Change in Unearned Premiums	69,895.10	214,646.39	(36,704.68)	(172,050.06)	(135,827.75)
Premiums Earned	787,269.90	742,359.14	776,168.52	809,684.83	862,247.30
<u>Deductions:</u>					
Losses Paid	556,239.34	228,926.84	587,525.73	524,001.21	236,663.77
Change in Loss Reserves	(82,217.71)	13,151.71	(305,728.10)	(98,225.16)	332,083.53
Losses Incurred	474,021.63	242,078.55	281,797.63	425,776.05	568,747.30
Allocated LAE Paid	-	-	-	-	-
Change in Allocated LAE Reserves	1,703.40	427.50	(299.00)	500.00	-
Allocated LAE Incurred	1,703.40	427.50	(299.00)	500.00	-
Change in Premium Deficiency Reserve	5,991.00	(125,205.00)	5,627.00	(32,965.00)	(7,301.00)
Servicing Carrier Fees - Claims LAE	112,181.02	163,555.87	61,186.53	75,305.04	80,986.40
Servicing Carrier Fees - Operating	36,373.78	105,989.51	72,880.80	64,609.31	88,905.21
Commissions Written	30,415.48	37,357.77	23,021.50	21,575.34	22,814.90
DMV Surcharge Fees	598.66	52.32	26.94	359.54	-
Total Underwriting Deductions	661,284.97	423,829.02	444,540.40	554,660.28	754,152.81
Net Underwriting Gain (Loss)	125,984.93	318,530.12	331,628.12	255,024.55	108,094.49
Investment Income	31,229.96	29,983.42	28,461.79	25,475.32	15,751.89
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Miscellaneous Income	0.00	0.00	(210.00)	-	0.00
Membership Fees	0.00	360,000.00	-	0.00	0.00
Late Penalty Fees	-	1,695.44	50.00	0.00	0.00
Commissions Charged Off	-	(741.34)	323.76	-	(12.85)
Premiums Charged Off	(2,180.96)	(539.00)	(135.00)	(16.50)	(299.68)
Premiums Charged Off - CPAI	(273,877.00)	(222,263.00)	(280,527.00)	(225,653.37)	(276,793.42)
Fronting Co Fees - AIO HI	(54,914.64)	(969.31)	(1,126.67)	(5,925.44)	(18,371.90)
Other than Underwriting Expenses	29,026.99	(97,559.22)	(106,250.40)	(101,289.27)	(98,135.67)
Total Other Income (Expenses)	(301,945.61)	39,623.57	(387,875.31)	(332,884.58)	(393,613.52)
Net Gain (Loss)	(\$144,730.72)	\$388,137.11	(\$27,785.40)	(\$52,384.71)	(\$269,767.14)

**HAWAII JOINT UNDERWRITING PLAN**  
**RETAINED EARNINGS**  
**September 30, 2023**

Trial Balance

Total Assets	<u>\$3,470,518.20</u>
Total Liabilities	(\$3,627,201.62)
Total Retained Earnings	<u>\$319,291.20</u>
Liabilities + Retained Earnings	<u>(3,307,910.42)</u>
Assets + Liabilities + Retained Earnings	162,607.78
Total Income	(\$3,667,537.49)
Total Expense	<u>\$3,504,929.71</u>
Net (Income) & Expense	<u>(162,607.78)</u>
Difference	<u><u>(0.00)</u></u>

Retained Earnings

Retained Earnings from Trial Balance	\$319,291.20
Net (Income) & Expense from Trial Balance	(\$162,607.78)
Total Retained Earnings	<u><u>\$156,683.42</u></u>

**HAWAII JOINT UNDERWRITING PLAN**  
**CPAI**  
**STATEMENT OF INCOME AND EXPENSES**  
**YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$273,877.00	\$1,002,320.37
Change in Unearned Premiums	22,114.85	(58,108.56)
Premiums Earned	<u>251,762.15</u>	<u>1,060,428.93</u>
<u>Deductions</u>		
Losses Paid	41,389.02	127,288.72
Change in Loss Reserves	(59,436.93)	(127,882.46)
Losses Incurred	<u>(18,047.91)</u>	<u>(593.74)</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	1,189.00	0.00
Allocated LAE Incurred	<u>1,189.00</u>	<u>0.00</u>
Change in Premium Deficiency Reserve	5,991.00	(146,552.00)
Servicing Carrier Fees - Claims LAE	19,479.98	111,910.94
Servicing Carrier Fees - Operating	(20,017.75)	60,722.92
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	0.00	0.00
Total Underwriting Deductions	<u>(12,594.68)</u>	<u>25,488.12</u>
Net Underwriting Gain (Loss)	264,356.83	1,034,940.81
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	0.00
Premiums Charged Off	(273,877.00)	(1,002,320.37)
Fronting Co Fees - AIO HI	(54,914.64)	(62,936.06)
Other than Underwriting Expenses	(24,999.99)	(99,999.96)
Total Other Income (Expenses)	<u>(353,791.63)</u>	<u>(1,165,256.39)</u>
Net Gain (Loss)	<u><u>(\$89,434.80)</u></u>	<u><u>(\$130,315.58)</u></u>

**HAWAII JOINT UNDERWRITING PLAN**  
**CPAI**  
**EXHIBIT OF RESERVES**  
**YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 568,813.58	\$ (57,827.16)	\$ 10,179.49	\$ (32,575.74)	\$ 22,114.85	\$ 510,705.02
Premium Deficiency Reserve	324,659.00	(32,965.00)	5,627.00	(125,205.00)	5,991.00	178,107.00
Loss Reserves	\$ 183,463.40	\$ 35,004.00	\$ 34,396.00	\$ (50,004.53)	\$ (50,113.93)	\$ 152,744.94
IBNR Loss Reserves	116,950.00	(58,728.00)	(6,969.00)	(26,510.00)	(8,608.00)	16,135.00
Anticipated Salvage and Subrogation	(12,658.00)	(2,483.00)	6,771.00	78.00	(715.00)	(9,007.00)
Loss Reserves including IBNR:	<u>\$ 287,755.40</u>	<u>\$ (26,207.00)</u>	<u>\$ 34,198.00</u>	<u>\$ (76,436.53)</u>	<u>\$ (59,436.93)</u>	<u>\$ 159,872.94</u>
Allocated LAE Reserves	\$0.00	\$500.00	(\$299.00)	\$427.50	\$1,189.00	\$ 1,817.50

**HAWAII JOINT UNDERWRITING PLAN**  
**CPAI**  
**QUARTERLY RESULTS OF OPERATION**

	Quarter Ending Sep 2023	Quarter Ending Jun 2023	Quarter Ending Mar 2023	Quarter Ending Dec 2022	Quarter Ending Sep 2022
<u>Underwriting Income:</u>					
Premium Written	\$273,877.00	\$222,263.00	\$280,527.00	\$225,653.37	\$276,793.42
Change in Unearned Premiums	22,114.85	(32,575.74)	10,179.49	(57,827.16)	(12,567.87)
Premiums Earned	251,762.15	254,838.74	270,347.51	283,480.53	289,361.29
<u>Deductions:</u>					
Losses Paid	41,389.02	23,791.26	36,052.71	26,055.73	66,102.70
Change in Loss Reserves	(59,436.93)	(76,436.53)	34,198.00	(26,207.00)	(62,483.83)
Losses Incurred	(18,047.91)	(52,645.27)	70,250.71	(151.27)	3,618.87
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	1,189.00	427.50	(299.00)	500.00	1,189.00
Allocated LAE Incurred	1,189.00	427.50	(299.00)	500.00	1,189.00
Change in Premium Deficiency Reserve	5,991.00	(125,205.00)	5,627.00	(32,965.00)	(7,301.00)
Servicing Carrier Fees - Claims LAE	19,479.98	74,279.49	3,361.42	14,790.05	19,275.32
Servicing Carrier Fees - Operating	(20,017.75)	31,371.19	27,035.62	22,333.86	43,942.59
Commissions Written	0.00	0.00	0.00	0.00	0.00
Total Underwriting Deductions	(12,594.68)	(72,199.59)	106,274.75	4,007.64	59,535.78
Net Underwriting Gain (Loss)	264,356.83	327,038.33	164,072.76	279,472.89	229,825.51
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off - CPAI	(273,877.00)	(222,263.00)	(280,527.00)	(225,653.37)	(276,793.42)
Fronting Co Fees - AIO HI	(54,914.64)	(969.31)	(1,126.67)	(5,925.44)	(18,371.90)
Other than Underwriting Expenses	(24,999.99)	(24,999.99)	(24,999.99)	(24,999.99)	(33,333.32)
Total Other Income (Expenses)	(353,791.63)	(248,232.30)	(306,653.66)	(256,578.80)	(328,498.64)
Net Gain (Loss)	(\$89,434.80)	\$78,806.03	(\$142,580.90)	\$22,894.09	(\$98,673.13)

**HAWAII JOINT UNDERWRITING PLAN  
COMMERCIAL  
STATEMENT OF INCOME AND EXPENSES  
SEPTEMBER 30, 2023**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$550,688.00	\$2,106,039.57
Change in Unearned Premiums	37,585.64	120,010.63
Premiums Earned	<u>513,102.36</u>	<u>1,986,028.94</u>
<u>Deductions</u>		
Losses Paid	490,259.81	1,676,937.26
Change in Loss Reserves	(43,521.27)	(289,614.15)
Losses Incurred	<u>446,738.54</u>	<u>1,387,323.11</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00
Allocated LAE Incurred	<u>0.00</u>	<u>0.00</u>
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	60,651.27	258,319.23
Servicing Carrier Fees - Operating	55,068.80	210,603.96
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	27,534.38	105,301.96
Total Underwriting Deductions	<u>589,992.99</u>	<u>1,961,548.26</u>
Net Underwriting Gain (Loss)	<u>(76,890.63)</u>	<u>24,480.68</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	0.00
Premiums Charged Off	(2,180.96)	(2,762.46)
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	0.00	0.00
Total Other Income (Expenses)	<u>(2,180.96)</u>	<u>(2,762.46)</u>
Net Gain (Loss)	<u><u>(\$79,071.59)</u></u>	<u><u>\$21,718.22</u></u>

**HAWAII JOINT UNDERWRITING PLAN  
COMMERCIAL  
EXHIBIT OF RESERVES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 1,000,253.69	\$ (115,453.65)	\$ (33,408.44)	\$ 231,287.08	\$ 37,585.64	\$ 1,120,264.32
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 1,337,505.15	\$ 41,238.49	\$ (547,099.33)	\$ 20,040.96	\$ (317,753.27)	\$ 533,932.00
IBNR Loss Reserves	451,048.00	(106,222.00)	207,642.00	137,010.00	260,229.00	949,707.00
Anticipated Salvage and Subrogation	(108,190.00)	3,416.00	3,829.00	(5,948.00)	14,003.00	(92,890.00)
Loss Reserves including IBNR:	<u>\$ 1,680,363.15</u>	<u>\$ (61,567.51)</u>	<u>\$ (335,628.33)</u>	<u>\$ 151,102.96</u>	<u>\$ (43,521.27)</u>	<u>\$ 1,390,749.00</u>
Allocated LAE Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -

**HAWAII JOINT UNDERWRITING PLAN  
COMMERCIAL  
QUARTERLY RESULTS OF OPERATION**

	Quarter Ending Sep 2023	Quarter Ending Jun 2023	Quarter Ending Mar 2023	Quarter Ending Dec 2022	Quarter Ending Sep 2022
<u>Underwriting Income:</u>					
Premium Written	\$550,688.00	\$705,627.53	\$458,519.64	\$391,204.40	\$437,860.95
Change in Unearned Premiums	37,585.64	231,287.08	(33,408.44)	(115,453.65)	(111,722.62)
Premiums Earned	513,102.36	474,340.45	491,928.08	506,658.05	549,583.57
<u>Deductions:</u>					
Losses Paid	490,259.81	144,963.70	545,028.92	496,684.83	152,358.96
Change in Loss Reserves	(43,521.27)	151,102.96	(335,628.33)	(61,567.51)	415,223.17
Losses Incurred	446,738.54	296,066.66	209,400.59	435,117.32	567,582.13
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00	0.00	0.00	0.00
Allocated LAE Incurred	0.00	0.00	0.00	0.00	0.00
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	60,651.27	109,887.57	43,645.15	44,135.24	51,253.29
Servicing Carrier Fees - Operating	55,068.80	70,562.75	45,851.96	39,120.45	43,786.10
Commissions Written	27,534.38	35,281.37	22,925.97	19,560.24	21,893.02
Total Underwriting Deductions	589,992.99	511,798.35	321,823.67	537,933.25	684,514.54
Net Underwriting Gain (Loss)	(76,890.63)	(37,457.90)	170,104.41	(31,275.20)	(134,930.97)
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off	(2,180.96)	(539.00)	(26.00)	(16.50)	(292.50)
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	0.00	0.00	0.00	0.00	0.00
Total Other Income (Expenses)	(2,180.96)	(539.00)	(26.00)	(16.50)	(292.50)
Net Gain (Loss)	(\$79,071.59)	(\$37,996.90)	\$170,078.41	(\$31,291.70)	(\$135,223.47)

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - OTHER  
STATEMENT OF INCOME AND EXPENSES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$7,524.00	\$26,057.20
Change in Unearned Premiums	866.16	3,474.44
Premiums Earned	<u>6,657.84</u>	<u>22,582.76</u>
<u>Deductions</u>		
Losses Paid	24,590.51	80,677.84
Change in Loss Reserves	25,356.49	(39,976.51)
Losses Incurred	<u>49,947.00</u>	<u>40,701.33</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	514.40	0.00
Allocated LAE Incurred	<u>514.40</u>	<u>0.00</u>
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	305.64	1,517.46
Servicing Carrier Fees - Operating	26.39	1,610.82
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	665.70	1,686.21
Total Underwriting Deductions	<u>50,944.73</u>	<u>45,515.82</u>
Net Underwriting Gain (Loss)	<u>(44,286.89)</u>	<u>(22,933.06)</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	(417.58)
Premiums Charged Off	0.00	1.75
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	0.00	0.00
Total Other Income (Expenses)	<u>0.00</u>	<u>(415.83)</u>
Net Gain (Loss)	<u><u>(\$44,286.89)</u></u>	<u><u>(\$23,348.89)</u></u>

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - OTHER  
EXHIBIT OF RESERVES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 9,333.72	\$ (987.93)	\$ (4,236.24)	\$ 7,832.45	\$ 866.16	\$ 12,808.16
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 52,250.00	\$ 3,740.00	\$ (5,990.00)	\$ (45,349.00)	\$ 14,798.49	\$ 19,449.49
IBNR Loss Reserves	22,447.00	(14,415.00)	(2,489.00)	(830.00)	10,558.00	15,271.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Loss Reserves including IBNR:	<u>\$ 74,697.00</u>	<u>\$ (10,675.00)</u>	<u>\$ (8,479.00)</u>	<u>\$ (46,179.00)</u>	<u>\$ 25,356.49</u>	<u>\$ 34,720.49</u>
Allocated LAE Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$514.40	\$ 514.40

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - OTHER  
QUARTERLY RESULTS OF OPERATION**

	Quarter Ending Sep 2023	Quarter Ending Jun 2023	Quarter Ending Mar 2023	Quarter Ending Dec 2022	Quarter Ending Sep 2022
<u>Underwriting Income:</u>					
Premium Written	\$7,524.00	\$12,633.00	\$417.20	\$5,483.00	(\$888.82)
Change in Unearned Premiums	866.16	7,832.45	(4,236.24)	(987.93)	(7,271.69)
Premiums Earned	6,657.84	4,800.55	4,653.44	6,470.93	6,382.87
<u>Deductions:</u>					
Losses Paid	24,590.51	50,350.00	5,737.33	-	10,000.00
Change in Loss Reserves	25,356.49	(46,179.00)	(8,479.00)	(10,675.00)	(17,114.00)
Losses Incurred	49,947.00	4,171.00	(2,741.67)	(10,675.00)	(7,114.00)
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	514.40	0.00	0.00	0.00	514.40
Allocated LAE Incurred	514.40	0.00	0.00	0.00	514.40
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	305.64	275.92	387.47	548.43	707.62
Servicing Carrier Fees - Operating	26.39	1,460.31	(6.78)	130.90	(88.88)
Commissions Written	665.70	428.20	106.61	485.70	(34.72)
Total Underwriting Deductions	50,944.73	6,335.43	(2,254.37)	(9,509.97)	(6,529.98)
Net Underwriting Gain (Loss)	(44,286.89)	(1,534.88)	6,907.81	15,980.90	12,912.85
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	(741.34)	323.76	0.00	(12.85)
Premiums Charged Off	0.00	0.00	1.75	0.00	(7.18)
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	0.00	0.00	0.00	0.00	0.00
Total Other Income (Expenses)	0.00	(741.34)	325.51	0.00	(20.03)
Net Gain (Loss)	(\$44,286.89)	(\$2,276.22)	\$7,233.32	\$15,980.90	\$12,892.82

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - HIGH RISK  
STATEMENT OF INCOME AND EXPENSES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$25,076.00	\$56,852.00
Change in Unearned Premiums	9,328.45	10,410.24
Premiums Earned	<u>15,747.55</u>	<u>46,441.76</u>
<u>Deductions</u>		
Losses Paid	0.00	11,789.30
Change in Loss Reserves	(718.00)	(10,790.14)
Losses Incurred	<u>(718.00)</u>	<u>999.16</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00
Allocated LAE Incurred	<u>0.00</u>	<u>0.00</u>
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	31,644.13	104,079.33
Servicing Carrier Fees - Operating	1,296.34	6,915.70
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	2,215.40	5,381.92
Total Underwriting Deductions	<u>34,437.87</u>	<u>117,376.11</u>
Net Underwriting Gain (Loss)	<u>(18,690.32)</u>	<u>(70,934.35)</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	0.00
Premiums Charged Off	0.00	(110.75)
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	0.00	0.00
Total Other Income (Expenses)	<u>0.00</u>	<u>(110.75)</u>
Net Gain (Loss)	<u><u>(\$18,690.32)</u></u>	<u><u>(\$71,045.10)</u></u>

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - HIGH RISK  
EXHIBIT OF RESERVES  
YEAR TO DATE THROUGH SEPTEMBER 30, 2023**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 20,316.57	\$ 2,218.68	\$ (9,239.49)	\$ 8,102.60	\$ 9,328.45	\$ 30,726.81
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 7,579.19	\$ 6,739.35	\$ 4,293.23	\$ (13,331.72)	\$ 1.00	\$ 5,281.05
IBNR Loss Reserves	10,256.00	(6,017.00)	131.00	(1,887.00)	(719.00)	1,764.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Loss Reserves including IBNR:	<u>\$ 17,835.19</u>	<u>\$ 722.35</u>	<u>\$ 4,424.23</u>	<u>\$ (15,218.72)</u>	<u>\$ (718.00)</u>	<u>\$ 7,045.05</u>
Allocated LAE Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -

**HAWAII JOINT UNDERWRITING PLAN  
PRIVATE - HIGH RISK  
QUARTERLY RESULTS OF OPERATION**

	Quarter Ending Sep 2023	Quarter Ending Jun 2023	Quarter Ending Mar 2023	Quarter Ending Dec 2022	Quarter Ending Sep 2022
<u>Underwriting Income:</u>					
Premium Written	\$25,076.00	\$16,482.00	\$0.00	\$15,294.00	\$12,654.00
Change in Unearned Premiums	9,328.45	8,102.60	(9,239.49)	2,218.68	(4,265.57)
Premiums Earned	15,747.55	8,379.40	9,239.49	13,075.32	16,919.57
<u>Deductions:</u>					
Losses Paid	0.00	9,821.88	706.77	1,260.65	8,202.11
Change in Loss Reserves	(718.00)	(15,218.72)	4,424.23	722.35	(3,071.81)
Losses Incurred	(718.00)	(5,396.84)	5,131.00	1,983.00	5,130.30
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00	0.00	0.00	0.00
Allocated LAE Incurred	0.00	0.00	0.00	0.00	0.00
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	31,644.13	41,611.39	14,288.49	16,535.32	10,448.17
Servicing Carrier Fees - Operating	1,296.34	2,595.26	-	3,024.10	1,265.40
Commissions Written	2,215.40	1,648.20	(11.08)	1,529.40	956.60
Total Underwriting Deductions	34,437.87	40,458.01	19,408.41	23,071.82	17,800.47
Net Underwriting Gain (Loss)	(18,690.32)	(32,078.61)	(10,168.92)	(9,996.50)	(880.90)
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off	0.00	0.00	(110.75)	0.00	0.00
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	0.00	0.00	0.00	0.00	0.00
Total Other Income (Expenses)	0.00	0.00	(110.75)	0.00	0.00
Net Gain (Loss)	(\$18,690.32)	(\$32,078.61)	(\$10,279.67)	(\$9,996.50)	(\$880.90)

<b>Commercial Auto Application Changes</b>
--------------------------------------------

---

**Defining the Issue**

There has been some confusion as to what documents are to be submitted with a HJUP commercial auto application.

---

**Action Needed**

Please review the following information and decide if the proposal is appropriate for the Hawaii Joint Underwriting Plan.

---

**Proposal**

We propose amendments to update the HJUP Plan of Operations and the Attachments Section of the commercial auto application based on requests from the servicing carrier and IC International.

---

**Impact**

The proposed amendments will clarify the documents that are to be submitted with commercial auto applications.

<b>AIPSO Systems Impact:</b> ISPS can accommodate any effective date.
-----------------------------------------------------------------------

---

**Proposed Changes**

**COMMERCIAL AUTOMOBILE PART**

**Sec. 36. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS**

Paragraph B is amended to replace the reference to “quote form” with “Quote and Rating Worksheet”.

Paragraphs C.3 and E are amended to indicate that any premium payments are to be issued to State Farm Insurance Companies.

**Sec. 37. APPLICATION FOR INSURANCE**

Paragraph A.2 is amended to indicate that a premium finance check is issued to State Farm Insurance Companies.

Paragraphs B, C, and D are amended to replace the reference to “quote form” with “Quote and Rating Worksheet”.

Paragraph F is amended to indicated that the required deposit for additional vehicles or coverages is issued to State Farm Insurance Companies. In addition, amendments to replace the reference to “quote form” with “Quote and Rating Worksheet” have been made.

Paragraph H is amended to replace the following:

- “Quote Form” with “Quote and Rating Worksheet”.
- “Copies of CLUE Report” with “Copies of Loss Runs”.
- “MVR” with “MVRs”.

**Sec. 38. ALTERNATE APPLICATION SUBMISSION PROCEDURE**

The Section is amended to replace the following:

- “Quote Form” with “Quote and Rating Worksheet”.
- “Copies of CLUE Report” with “Copies of Loss Runs”.
- “MVR” with “MVRs”.

**Sec. 41. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HJUP  
COMMERCIAL RISKS**

Paragraphs A.2.a and B are amended to replace “quote form” with “Quote and Rating Worksheet”.

**AIP 95 35 Commercial Application—Hawaii Joint Underwriting Plan**

This application is amended under the Attachments Section to replace:

- “Quote Form” with “Quote and Rating Worksheet”.
- “Copies of CLUE Report” with “Copies of Loss Runs”.
- “MVR” with “MVRs”.
- “Send original signed application, along with check or money order and required attachments to” with “Send original signed application, along with check or money order *issued to State Farm Insurance Companies* and required attachments to”.

**Attachments**

---

Exhibit A—Proposed Amendments to Sections 36, 37, 38 and 41

AIP 95 35 Commercial Application—Hawaii Joint Underwriting Plan

**COMMERCIAL AUTOMOBILE PART**

**Sec. 36. PREMIUM DEPOSIT REQUIREMENTS  
AND PAYMENT OPTIONS**

*Paragraph B is amended as follows:*

**B. Full Annual Premium Option**

If the applicant elects to pay the quoted premium in full, the printed application for insurance under the HJUP must be submitted to the servicing entity on a prescribed form accompanied by the full gross annual premium along with the ~~quote form~~ Quote and Rating Worksheet and the supporting documentation.

*Paragraph C.3 is amended as follows:*

**C. Installment Premium Payment Option**

**3. Additional Premium—Changes**

Additional premium resulting from changes to the policy may be spread over the remaining installments, if any, or may be billed immediately as a separate transaction by the servicing entity. Commission on the additional premium is ~~payable by the servicing entity~~ issued to State Farm Insurance Companies after the endorsement is issued.

*Paragraph E is amended as follows:*

**E. Deposit, Installment, or Additional Premium Payments**

All deposit, installment, and additional premium payments shall be submitted gross. Commissions will be paid by the servicing entity in accordance with its voluntary market business.

The deposit shall be in the form of a certified check, bank check, or money order ~~payable by the servicing entity~~ issued to State Farm Insurance Companies. If the risk is ineligible, the deposit shall be returned.

Additional premium payments shall be in the form of a certified check, bank check, or money order ~~payable to the servicing entity~~ issued to State Farm Insurance Companies.

A finance company check submitted as premium payment shall be ~~made payable to the servicing entity~~ issued to State Farm Insurance Companies.

**Sec. 37. APPLICATION FOR INSURANCE**

*Paragraph A.2 is amended as follows:*

**A. General Information**

2. If a policy is financed by a premium finance company, the premium finance company must make all checks or drafts payable to the ~~servicing entity~~ State Farm Insurance Companies. A copy of a completed legible premium finance contract must accompany

the applications submitted to the servicing entity.

*Paragraphs B and C are amended as follows:*

**B. Electronic Application Submission**

All commercial applications **must** be completed using the electronic application submission procedures. The electronic application submission procedure was developed to allow producers to complete applications electronically, provide rating assistance and application completion.

Prior to accessing electronic application submission, each producer must be registered with the HJUP in accordance with the procedure outlined in the Introduction, "Producers Doing Business with HJUP".

In no event shall coverage be effective

- prior to the time shown on the application;
- prior to the time shown on the Evidence of Insurance and Requested Effective Date of Coverage section of the application;
- unless the required deposit is submitted with the application.

Coverage will be effective only when the electronic application is transmitted under the procedures established and authorized by the HJUP and the completed application is received by the servicing entity.

The producer **must** utilize the quoting assistance offered. The electronic application data is held only as a pending transaction, and no submission is considered an application for coverage until a duly completed and signed paper application accompanied by the required deposit premium, the ~~quote form~~ Quote and Rating Worksheet produced by IC International and supporting documentation is transmitted through electronic application submission and received by the HJUP.

**C. Electronic Application Submission Procedure and Quoting Assistance**

The completed electronic application generated from electronic application submission must be printed, signed, and submitted to the servicing entity in accordance with the following:

The producer shall indicate the date and time when coverage is required. The coverages and limits applied for shall be effective at the time the application is completed and executed, provided all of the following requirements are met:

1. Once the producer has entered all the commercial application information electronically, and requests assistance in quoting, the producer will save the application data and proceed as follows:

- a. Producers must complete a request for quoting assistance and submit the request along with all the applicable supporting documentation to IC International at [hjup@icinternational.com](mailto:hjup@icinternational.com) for a response no later than 10 days from the date of the request.

Producers cannot bind coverage until receipt of a ~~quote form~~ Quote and Rating Worksheet from IC International.

- b. IC International has 10 days from the date of the request to provide the written quote to the producer and applicant by email. IC International will review the request and the applicable documents. If the information is incomplete, IC International will request the missing information.

- c. Upon receipt of the quote from IC International, the producer will enter the quoting information into the saved electronic application and electronically submit the completed application.

**Note:** All quotes sent to the producer and applicant will expire 30 days from the date prepared.

2. The producer and the applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was transmitted. The date of receipt of the paper application by IC International shall be established by the date and time the application is electronically transmitted by the producer.

3. The producer of record will mail a copy of the completed application generated by electronic application submission, deposit premium, the ~~quote form~~ Quote and Rating Worksheet, and supporting documentation to IC International at the following address:

Commercial HJUP  
c/o IC International  
1022 Bethel St.  
Honolulu, HI 96813

4. The application generated by electronic application submission, deposit premium, the ~~quote form~~ Quote and Rating Worksheet and supporting documentation must be express mailed by IC International and received by the servicing entity no later than 15 calendar days following the date of transmittal of the application. An application received by the servicing entity on the 15<sup>th</sup> calendar day shall be considered a timely submission.

5. If the application, deposit premium, ~~quote form~~ Quote and Rating Worksheet, and supporting documentation are received more than 15 calendar days following the date of transmittal of the application, coverage shall be effective in accordance with the following

and the HJUP shall charge the producer with a producer performance complaint.

Coverage will become effective on 12:01 A.M. on the day following the date of express mailing of the application, deposit premium, ~~quote form~~ Quote and Rating Worksheet, and supporting documentation to the servicing entity as shown by the postmark on the envelope accompanying the application.

*Paragraphs D and E are unchanged. Paragraph F is amended as follows:*

**F. Additional Vehicles or Coverages**

1. If additional coverages are requested during the policy period or coverage for an additional or replacement vehicle is requested, a completed approved Policy Change Request form which can be accessed from the HJUP website or from the servicing entity.
2. The Policy Change Request form shall be submitted to the servicing entity no later than the first working day after completion.
3. Premium requirements for additional vehicles or coverages include required deposit, if necessary, ~~payable by the servicing entity issued to State Farm Insurance Companies~~ and the necessary information to complete the requested change.

Producers may obtain quoting assistance when completing policy change requests. The producer will submit the ~~quote form~~ Quote and Rating Worksheet, along with required deposit if applicable, directly to the servicing entity.

4. Coverage will be effective at the date and hour specified in the Policy Change Request form.
5. The producer of record shall maintain appropriate records of all risks submitted to the servicing entity and agrees to permit inspection or photocopying of such records by the HJUP or by the servicing entity representative. This inspection or photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the Policy Change Request form completed.

*Paragraph G is unchanged. Paragraph H is amended as follows:*

**H. Incomplete Applications**

For an application to be considered complete, the application and the deposit premium must be forwarded to the IC International along with copies of the following documents:

- ~~Quote form~~ Quote and Rating Worksheet
- Copy of vehicle registration(s)

- Copy of all operator's licenses
- Uninsured and Underinsured Motorists Coverage—Commercial Auto Form (AIP 9502)
- Copies of ~~CLUE Report~~ Loss Runs
- Copies of MVRs or Court Connect Report
- Supplemental Vehicle Schedule, if applicable
- Supplemental Operator Schedule, if applicable
- Copy of Premium Finance agreement, if applicable

Applications will be accepted by IC International and forwarded to the servicing entity for processing if the requirements shown in Sections 36 and 37 are reasonably complied with. IC International and/or the servicing entity will communicate to the insured and the producer of record if an application is incomplete and requires correction.

Applications not accompanied by the deposit premium or is deemed ineligible shall be returned to the producer and no coverage will be afforded.

**Sec. 38. ALTERNATE APPLICATION SUBMISSION PROCEDURE**

*The penultimate paragraph is amended as follows:*

Copies of the following documents must accompany the application and payment:

- ~~Quote form~~ Quote and Rating Worksheet

- Copy of vehicle registration(s)
- Copy of all operator's licenses
- Uninsured and Underinsured Motorists Coverage—Commercial Auto Form (AIP 9502)
- Copies of ~~CLUE Report~~ Loss Runs
- Copies of MVRs or Court Connect Report
- Supplemental Vehicle Schedule, if applicable
- Supplemental Operator Schedule, if applicable
- Copy of Premium Finance agreement, if applicable

**Sec. 41. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HJUP COMMERCIAL RISKS**

*Paragraphs A.2.a and B are amended as follows:*

**A. Applications**

2. All applications must include
  - a. necessary information to rate and write the policy, the ~~quote form~~ Quote and Rating Worksheet, if applicable, prepare a bill, and make any required financial responsibility or motor carrier filings, and

**B. Policy Change Request**

When an insured requests a policy change, the producer must report it to the servicing entity with the ~~quote form~~ Quote and Rating Worksheet and required deposit, if necessary, and the necessary information to complete the requested change.

# COMMERCIAL APPLICATION HAWAII JOINT UNDERWRITING PLAN

Reference #:

Transmission Date:

OFFICE USE ONLY – DO NOT WRITE OR ALTER INFORMATION IN THIS BLOCK

## NOTICE: PRODUCER MUST READ THIS STATEMENT BEFORE PROCEEDING

FAILURE TO DISCLOSE ALL REQUIRED INFORMATION MAY RESULT IN CANCELLATION.

SECTION 1. PRODUCER OF RECORD				
Producer Last Name/Agency Name		Producer First Name		MI
Mailing Address		City	State	Zip Code
Street Address (if different from Mailing Address)		City	State	Zip Code
Tax ID No.	Producer License No.		Telephone No. (incl. area code)	
Email Address				
SECTION 2. APPLICANT				
Last Name		First Name		MI
DBA				Self Employed <input type="checkbox"/> Yes <input type="checkbox"/> No
Home Telephone No. (incl. area code)	Business Telephone No. (incl. area code)	Tax ID No.		
Street Address	City	County	State	Zip Code
Headquarters Street Address (if different from above)	City	County	State	Zip Code
Business of Applicant/Nature of Operation				
SECTION 3. OWNERSHIP AND CONTROL OF APPLICANT'S ORGANIZATION				
Named insured is a: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other		State of Incorporation	Date of Incorporation	Date actual operations commenced
Management, Ownership, and Control (List names of principals and also anyone with more than a 10% ownership interest.)				
President		Date in Position		Percent Ownership
Vice President				
Secretary				
Treasurer				
General Manager				
Others				
List all affiliated companies				

**STATEMENT OF THE PRODUCER OF RECORD**

I do hereby certify that I am a licensed producer in the State of Hawaii. I have read the Hawaii Joint Underwriting Plan, have explained the provisions to the Applicant, and have included in this application all required information given to me by the Applicant. In the event of cancellation or a policy change resulting in a reduction of premium, I agree to return any commission that has been paid that is in excess of the commission due on the earned premium received by the servicing entity.

Producer's Signature:

\_\_\_\_\_

SECTION 4. OPERATOR INFORMATION			(List all full-time, part-time, and all other operators that usually drive a vehicle.)		TOTAL OPERATORS	
Last Name	First Name	MI	Birth Date Mo./Day/Yr.	Driver's License No.	State	

**For applicants with more than four operators, all additional operators must be listed on a Supplemental Operator Schedule.**

**SECTION 5. ACCIDENTS**

Has applicant, or anyone who usually drives the applicant's vehicle(s), been involved, either as owner or operator, in ANY motor vehicle accident during the past thirty-six months?  Yes  No If "Yes", complete the following.

Name of Operator	Accident Date Mo./Day/Yr.	Accident Code*	Place of Accident		Residual Bodily Injury or Death Amount	Property Damage Amount	Physical Damage Amount
			City	State			
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$

**\*Accident Codes**

1. Applicant's auto was lawfully parked.
  2. Auto was struck by a "hit-and-run" driver and accident reported to the proper authority within 24 hours from time of accident.
  3. Applicant reimbursed by or on behalf of person responsible for the accident or has judgment against such person.
  4. Other person involved in accident was convicted. Applicant or operator was not convicted.
  5. Accident resulting in payment under personal injury protection and applicant or other operator residing in the same household is not at fault.
  6. Accidents involving damage by contact with animals or fowl.
  7. Accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects.
  8. If the auto was struck in the rear by another auto and the applicant or other operator has not been convicted of a moving violation in connection with the accident.
  9. Other type of accident—non-chargeable under provisions of the Plan.
  10. Other type of accident—chargeable under provisions of the Plan.
- If accident code is (9) or (10) describe accident in space provided below.

**SECTION 6. CONVICTIONS**

Has the applicant or anyone who usually drives the applicant's vehicle(s) been CONVICTED or FORFEITED BAIL at any time during the immediately preceding thirty-six months? Convicted  Yes  No Forfeited Bail  Yes  No If "Yes", for either item, complete the following. NOTE: A paid ticket or fine is an admission of guilt and therefore constitutes a conviction.

Name of Operator	Date of Conviction or Bail Forfeiture Mo./Day/Yr.	Did Conviction Arise as a Result of an Accident?	Nature of Conviction	Place of Conviction		Penalty Points	Was License Suspended or Revoked?
				City	State		
		<input type="checkbox"/> Yes <input type="checkbox"/> No					<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No					<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No					<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No					<input type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION 7. COMMODITIES TRANSPORTED**

Identify materials hauled, including any hazardous materials, waste, or substances.

Hauling exclusively for one concern?

Identify radius of operations.

Identify routes—fixed and occasional (both outgoing and return).

Trips From Place of Origin To Place of Destination	% of Revenues	No. per Month	Principal Cities Entered	Commodities Carried

**SECTION 8. GROSS RECEIPTS** (Required for motor carriers of property or passengers)

Gross Receipts	Current Year	1st Prior Year	2nd Prior Year	3rd Prior Year	4th Prior Year
Other than Truckers	\$	\$	\$	\$	\$
Truckers	\$	\$	\$	\$	\$

**SECTION 9. VEHICLE INFORMATION AND USE** For public autos, list cities in which vehicles operate. **TOTAL VEHICLES**

Veh No.	Year	Vehicle Identification No.	Load Capacity	Type of Registration		Gross Vehicle Weight (GVW) Trucks only		Spec. Industry (M-T-FD-SD-WD-F-D-O)	Seating Capacity	Loss Payee or Lessor Name
	Trade Name/ Model No.	Garage Location (Town, State)	State of Registration	Rating Classification		Gross Comb. Weight (GCW) Truck-Tractors only		Radius Class (L-I)	Tank Capacity	Loss Payee or Lessor Address
	Type (1)	Name of Registered Owner of Vehicle	Rating Territory (2)	Orig. Cost New (3)	Comp. Symbol	Coll. Symbol	Size (L-M-H-EH-HT-EHT)	Final Rating	<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	Loss Payee or Lessor City, State, Zip Code
	Where vehicle is permitted to operate		List all cities through and in which vehicles operate							
Veh 1										
									<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	
Veh 2										
									<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	
Veh 3										
									<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	
Veh 4										
									<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	
Veh 5										
									<input type="checkbox"/> Loss Payee <input type="checkbox"/> Lessor	

- (1) Type—Truck=T, Truck-Tractor=TT, Trailer=TR, Semitrailer=ST, Public Auto=PA
- (2) For public autos, use the highest rated territory where the vehicles operate.
- (3) Chassis and body including special equipment.

**For applicants with more than five vehicles, all additional vehicles must be listed on the Supplemental Commercial Vehicle Schedule.**

**SECTION 10. COVERAGES AND PREMIUMS**

As provided by the Principles of Operation of the Hawaii Joint Underwriting Plan.

**Same limits of liability must be purchased for all vehicles**

Check appropriate box for coverage

	Vehicle 1 Est. Prem.	Vehicle 2 Est. Prem.	Vehicle 3 Est. Prem.	Vehicle 4 Est. Prem.	Vehicle 5 Est. Prem.
Residual Bodily Injury Liability <input type="checkbox"/> \$20,000/40,000 <input type="checkbox"/> \$50,000/100,000 <input type="checkbox"/> \$100,000/300,000 <input type="checkbox"/> \$300,000/300,000* <input type="checkbox"/> \$300,000/600,000* *where required by law					
Property Damage Liability <input type="checkbox"/> \$10,000 <input type="checkbox"/> \$15,000 <input type="checkbox"/> \$20,000 <input type="checkbox"/> \$30,000 <input type="checkbox"/> \$50,000* *where required by law					
Personal Injury Protection Coverage <input type="checkbox"/> Basic \$10,000 Deductible <input type="checkbox"/> \$0 <input type="checkbox"/> \$100 <input type="checkbox"/> \$300 <input type="checkbox"/> \$500 <input type="checkbox"/> \$1,000 Is this risk covered by workers' compensation insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Physical Damage—Comprehensive Deductible Options: \$0, \$50, \$100, \$250, \$500, \$1,000, \$1,500, \$2,000 Deductible: Veh. 1 _____ Veh. 2 _____ Veh. 3 _____ Veh. 4 _____ Veh. 5 _____					
Physical Damage—Collision Deductible Options: \$50, \$100, \$250, \$500, \$1,000, \$1,500, \$2,000 Deductible: Veh. 1 _____ Veh. 2 _____ Veh. 3 _____ Veh. 4 _____ Veh. 5 _____					
Uninsured Motorists Coverage: (Not to exceed Residual Bodily Injury Limits) <input type="checkbox"/> None* <input type="checkbox"/> \$20,000/40,000 <input type="checkbox"/> \$50,000/100,000 <input type="checkbox"/> \$100,000/300,000 <input type="checkbox"/> \$300,000/300,000** <input type="checkbox"/> \$300,000/600,000** **where required by law *If "None", attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502). Proceed to Underinsured Motorist Coverage. Since Uninsured Motorists Coverage is selected, <b>does the applicant accept stacked                      limits of Uninsured Motorists Coverage?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No", attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502). If Uninsured Motorists Coverage is selected and the uninsured motorists limits selected are lower than the Residual Bodily Injury Limits selected under the Liability section, attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502).					
Underinsured Motorists Coverage: (Not to exceed Residual Bodily Injury Limits) <input type="checkbox"/> None* <input type="checkbox"/> \$20,000/40,000 <input type="checkbox"/> \$50,000/100,000 <input type="checkbox"/> \$100,000/300,000 <input type="checkbox"/> \$300,000/300,000** <input type="checkbox"/> \$300,000/600,000** **where required by law *If "None", attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502). Since Underinsured Motorists Coverage is selected, <b>does the applicant accept                      stacked limits of Underinsured Motorists Coverage?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No", attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502). If Underinsured Motorists Coverage is selected and the underinsured motorists limits selected are lower than the Residual Bodily Injury Limits selected under the Liability section, attach a signed Uninsured and Underinsured Motorists Coverage— Commercial Auto Form (AIP 9502).					
Sub-Total Estimated Premium per vehicle:	\$	\$	\$	\$	\$
Total Estimated Premium for vehicles 1–5:	\$				
Total Estimated Premium for supplemental vehicles:	\$				
Total Estimated Premium for all vehicles:	\$				
<b>Total Estimated Premium for All Vehicles and Coverages:</b>	\$				

**SECTION 10.a. WAIVER OF SUBROGATION**Does applicant require a Waiver of Subrogation to fulfill a contractual agreement?  Yes  No

Name(s) and Address(es) of Person(s) or Organization(s) Requiring Waiver of Subrogation:

**When a Waiver of Subrogation Endorsement is requested, a copy of the agreement between the applicant and the person(s) or organization(s) requiring the endorsement must accompany the application.****SECTION 10.b. PRIMARY AND NONCONTRIBUTORY—OTHER INSURANCE CONDITION**Does applicant require a Primary and Noncontributory—Other Insurance Condition to fulfill a contractual agreement?  Yes  No

Name(s) and Address(es) of Person(s) or Organization(s) Requiring Primary and Noncontributory—Other Insurance Condition:

**When a Primary and Noncontributory—Other Insurance Condition Endorsement is requested, a copy of the agreement between the applicant and the person(s) or organization(s) requiring the endorsement must accompany the application.****SECTION 11. FILINGS OR CERTIFICATES**Is a federal filing or specific limit(s) of liability needed?  Yes  No If "Yes" to comply with:

- Motor Carrier Act of 1980      Type:  1  2  3  4  
 Bus Regulatory Act of 1982       Motor Carrier No. \_\_\_\_\_  
 U. S. DOT No. \_\_\_\_\_

Is a state filing or specific limit(s) of liability needed?  Yes  No If "Yes" to comply with:

- Local Ordinance (attach copy)       State Regulation  
 PUC No. \_\_\_\_\_       Other \_\_\_\_\_

If block(s) are checked, list state(s) and city(ies) requiring filings or limits of liability required by law.

Is applicant required to file evidence of financial responsibility?  Yes  No If "Yes", complete the following.

Last Name	First Name	MI	Tax ID No.
-----------	------------	----	------------

Type of Filing  Owner's (operation of owned vehicles)  Operator's (operation of nonowned vehicles)  Both

State Where Filing Required	County	Case or File No.	Reason for Filing
-----------------------------	--------	------------------	-------------------

Are there any other vehicles owned or leased by the applicant?  Yes  No**SECTION 12. PAYMENT PLANS**

- Option 1—Full Annual Premium  
 Option 2\*—Deposit 40% with 5 installments and \$2.00 per installment charge  
 Premium Financed—Name of Premium Finance Company  
*\* Not available on premium financed policies  
 Note: Premium financed applications can only be submitted using the Alternative Application Procedure.*

Payment by:  Check  Money Order      Check/Money Order No.

Total Estimated Premium      \$

Amount Submitted with Application      \$

**SECTION 13. PREVIOUS AUTOMOBILE INSURANCE CARRIER**

Information for the past three years. If a fleet, information for the past five years required. Attach loss statements from previous carrier.

Name of latest carrier	Policy No.	Termination date
Was coverage through Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", give reason terminated.	

Complete the following for carriers of property and passengers.

Year	Policy No.	Policy Period From To		Name of Insurance Company
1st Prior				
2nd Prior				
3rd Prior				
4th Prior				

**SECTION 14. EVIDENCE OF INSURANCE AND REQUESTED EFFECTIVE DATE OF COVERAGE**

This application having been completed and duly executed, shall be, from the effective date and time shown below, evidence of insurance in the limits and coverages specified, subject to the following conditions:

- Coverage under this evidence of automobile insurance is to be effective for a period not to exceed 45 days from the effective date and time stated herein. Within such 45-day period, coverages under this evidence of automobile insurance will terminate immediately upon: (a) the issuance of the policy applied for, (b) the issuance of any policy affording similar insurance, or (c) the cancellation of the coverages of insurance afforded hereunder in accordance with the Principles of Operation of the Hawaii Joint Underwriting Plan.
- A premium charge will be made for these coverages if the policy, when and as issued, is not accepted by the insured.
- The insurance afforded hereunder shall be subject to all the terms and conditions of the policy form prescribed for use in accordance with the Principles of Operation of the Hawaii Joint Underwriting Plan.

**EFFECTIVE DATE:** Applicants will be subject to the effective date provisions specified in Section 37 of the Principles of Operation of the Hawaii Joint Underwriting Plan.**Requested Effective Date and Time:**  
(Not to exceed 45 days from the date of application submission)

Example: 09/01/2023 11:30 AM

**IN NO EVENT SHALL COVERAGE BE EFFECTIVE PRIOR TO THE DATE AND HOUR OF COMPLETION OF THIS APPLICATION.**My signature hereon represents certification of the Statement of the Producer of Record on this application **AND** I certify this application is submitted pursuant to the effective date provisions contained in the Joint Underwriting Plan

\_\_\_\_\_  
 (Producer's Signature) \_\_\_\_\_ (Date) \_\_\_\_\_ (Hour)  A.M.  P.M.

\_\_\_\_\_  
 (Person Authorized to Sign for Applicant) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date) \_\_\_\_\_ (Hour)  A.M.  P.M.

If additional named insureds are to be covered under a policy issued to the Applicant, authorized signatures for each such additional named insured shall be provided below. Such additional named insureds agree to be bound by the statements made by the Applicant in this form.

\_\_\_\_\_  
 (Person Authorized to Sign for Applicant) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date) \_\_\_\_\_ (Hour)  A.M.  P.M.

**SECTION 15. APPLICANT'S STATEMENT**

The Applicant declares and certifies that:

1. It has duly authorized the undersigned to execute this application on its behalf if the Applicant is not a natural person.
2. To the best of the Applicant's knowledge and belief, all statements contained in this application are true and these statements are offered as an inducement to issue the policy for which the Applicant is applying.
3. The Applicant realizes that any misleading information or failure to disclose required information will be considered lack of good faith on the Applicant's part and may void the application or cause cancellation of the Applicant's coverage.
4. The Applicant agrees that no coverage will be in effect if the premium remittance, which accompanies this application, is justifiably dishonored by any financial institution.
5. The Applicant understands that the premium shown on this application is an estimated premium. The carrier reserves the right to adjust the premium either prior to or after the issuance of the policy, whenever applicable.
6. The Applicant will pay all premiums when due.
7. The Applicant designates as Producer of Record of this insurance the Producer or firm named in the application. A substitute Producer may be designated by the Applicant at any time and, upon designation, shall be the Producer of Record. The Applicant understands that any designated Producer cannot act as an agent of the HJUP or any carrier for the purpose of this insurance and that the Producer has no authority to establish, alter or amend terms or conditions of coverage.
8. The Applicant hereby certifies that it does not owe any insurance company for automobile premiums due or contracted for.
9. The Applicant understands and agrees that if earned premium is owed to a servicing entity for prior coverage, the servicing entity may: a) apply the Applicant's deposit premium to that outstanding balance prior to applying the Applicant's deposit premium to this new application and bill the Applicant or send the Applicant a notice of cancellation for any additional deposit needed on this application or, b) return this application and deposit without providing any coverage if the Applicant's deposit is in the form of a premium finance company check. The Applicant further understands and agrees that if the Applicant's deposit premium is insufficient to cover the outstanding earned premium for prior coverage, the servicing entity may apply the entire deposit premium to that outstanding balance and return this application without providing any coverage.
10. If there are filings, all vehicles owned or leased by the insured are to be covered under this policy.

\_\_\_\_\_ Date: \_\_\_\_\_ Hour: \_\_\_\_\_  A.M.  P.M.  
 (Applicant's Signature)

**NOTICE TO APPLICANT AND PRODUCER**

In the event acknowledgement of coverage is not received within 45 days, notify Commercial HJUP c/o IC International 1022 Bethel St. Honolulu, HI 96813.  
 Telephone: 1-877-622-4776 Fax: 808-591-0188

**FAIR CREDIT REPORTING ACT NOTICE**

In addition to routine verification of information pertinent to the insurance applied for, if the application is by an individual for insurance, the insurer may have an investigative consumer report made including information bearing on character, general reputation, personal characteristics, or mode of living. Upon the individual's written request, the insurer will disclose in writing the nature and scope of the investigation requested, if such a report is procured.

**ATTACHMENTS**

- Copy of vehicle registration(s)
- Copy of all operator's licenses
- Quote and Rating Worksheet

- Uninsured and Underinsured Motorists Coverage—Commercial Auto Form (AIP 9502)
- Copies of Loss Runs
- Copies of MVRs or CourtConnect Report

- Supplemental Vehicle Schedule
- Supplemental Operator Schedule
- Finance agreement copy

**Send original signed application, along with check or money order issued to State Farm Insurance Companies and required attachments to:**

Commercial HJUP  
 c/o IC International  
 1022 Bethel Street  
 Honolulu, HI 96813

**REMARKS**

**ELECTRONIC OPTION FOR SUBMISSION OF POLICY CHANGE REQUESTS****Defining the Issue**

---

If additional or replacement vehicles and/or changes in coverages are requested, a completed Policy Change Request form (PCR) is submitted directly to the servicing entity by (1) mail via the United States Postal Service or (2) delivery by means other than the United States Postal Service.

An electronic option for submission of a PCR is being introduced to include e-mail, facsimile, and telephone options for private passenger risks. An electronic option for submission of a PCR is being introduced to include e-mail and facsimile options for commercial risks.

**Action Needed**

---

Please review this proposal and, if appropriate, approve the amendments provided.

**Proposal**

---

We propose introducing an electronic option for submission of Private Passenger PCRs to include e-mail, facsimile, and telephone. We also propose the introduction of an electronic option for submission of Commercial PCRs to include e-mail and facsimile.

**Impact**

---

Adoption of the proposed amendments will have the following impact:

- A producer can submit a private passenger PCR electronically via e-mail, facsimile, or telephone to the servicing entity.
- A producer can submit a commercial PCR electronically via e-mail or facsimile.
- A producer can continue to submit private passenger and commercial PCRs by mail via the United States Postal Service or by means other than the United States Postal Service.
- The producer must forward the appropriate additional premium to the servicing entity no later than one working day after the electronic transmission date of the PCR.
- The effective date of coverage is calculated at the date and hour specified in the PCR form provided the form and any additional premium payments are provided to the servicing entity in accordance with HJUP requirements.

**AIPSO Systems Impact:** No impact on AIPSO systems. This proposal has no impact on EASi.

**Proposed Changes**

---

**INTRODUCTION**

**HOW TO APPLY FOR ADDITIONAL COVERAGES OR CHANGES IN THE POLICY** is amended to clarify the submission requirements of the approved PCR form to the servicing entity in accordance with HJUP provisions.

**PERSONAL AUTOMOBILE PART****Sec. 23. APPLICATION FOR INSURANCE**

Paragraph E.2, premium requirements for additional vehicles or coverages, is amended to clarify the procedure for the submission of any required additional premium payments when the PCR is submitted electronically.

Paragraph E.3.d is added to introduce electronic submission of policy changes to include e-mail, facsimile and a telephone option, if available by the servicing entity and to clarify the calculation of the effective date.

Paragraph E.4.d is added to clarify the calculation of the effective date if the electronically transmitted PCR is not provided to the servicing entity timely.

Language not applicable to the HJUP in current paragraph E.6 is removed.

New paragraph E.6 is added to clarify that coverage will not be effective prior to the date and hour of completion of the PCR form except as provided for by the provisions of the policy contract.

**Sec. 29. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HJUP  
PRIVATE PASSENGER NONFLEET RISKS**

Paragraph C is amended to clarify the performance standard for the producer's completion and submission of the PCR form.

**COMMERCIAL AUTOMOBILE PART****Sec. 37. APPLICATION FOR INSURANCE**

Paragraph F.3 is added to introduce electronic submission of policy changes to include e-mail and facsimile and clarify the calculation of the effective date when the commercial PCR is not transmitted to the servicing entity in accordance with HJUP requirements.

Paragraph F.4 is revised to clarify the procedure for the submission of any required additional premium payments when the PCR is submitted electronically to the servicing entity.

Paragraph F.6 is added to clarify that coverage will not be effective prior to the date and hour of completion of the PCR form except as provided for by the provisions of the policy contract.

**Attachments**

---

Exhibit A— Proposed Amendments to the Introduction and Sections 23, 29 and 37.

## INTRODUCTION

### HOW TO APPLY FOR ADDITIONAL COVERAGES OR CHANGES IN THE POLICY

*The following paragraph is amended:*

All requests for changes to a policy must be submitted in writing on a Policy Change Request form authorized for HJUP use or one provided by the servicing entity and accompanied by any required additional premium. The Policy Change Request form should be forwarded directly to the servicing entity no later than the first working day after completion. The insured's policy number and other identification numbers must be included ~~in your written request on the Policy Change Request form authorized for HJUP use or one provided by the servicing entity~~. If a reduction or elimination of coverage is requested, the completed approved Policy Change Request form must be signed by the applicant. All Policy Change Request forms must be submitted to the servicing entity in accordance with Sections 23 and 37.

The Policy Change Request form can be accessed from the HJUP website at <https://www.aipso.com/PlanSites/Hawaii> for policy changes and from the servicing entity.

## PERSONAL AUTOMOBILE PART

### Sec. 23. APPLICATION FOR INSURANCE

*Paragraph E is amended as follows:*

#### E. Additional Vehicles or Coverages

1. ~~In the event~~ If additional coverages as described in Section 21 are desired during the policy period or coverage for an additional or replacement vehicle is desired, a completed approved Policy Change Request form shall be submitted directly to the servicing entity no later than the first working day after completion.
2. Premium requirements for additional vehicles or coverages include the following:
  - a. The Policy Change Request form shall be accompanied by a check or money order payable to the servicing entity for an amount equal to 30% of the annual premium or pro rata premium for the remainder of the policy period, whichever is less.

If the Policy Change Request form is submitted electronically, any additional premium is forwarded to the servicing entity no later than the first working day after electronic transmittal of the Policy Change Request form. If additional premium is not received by the servicing entity within 10 working days, a claim may be filed in accordance with Section 29.

- b. The balance of the additional premium shall be payable in accordance with the provisions of Section 22.
- c. All premium payments for additional vehicles or coverages shall be submitted on a gross basis.

3. Except as otherwise provided in the policy contract, coverage will be effective at the date and hour specified in the Policy Change Request form provided all of the following requirements are met:
    - a. The producer of record and applicant certify the date and hour of completion of the Policy Change Request form.
    - b. The producer of record forwards the completed Policy Change Request form to the servicing entity in accordance with Section 23.E.5.
    - c. The United States Postal Service postmark date on the transmittal envelope complies with the mailing requirement shown in Section 23.E.5.
    - d. If the completed Policy Change Request form is electronically transmitted to the servicing entity via facsimile (“fax”) or e-mail, the Policy Change Request form is forwarded to the servicing entity no later than the first working day after the Policy Change Request form is completed as shown by the date of the electronic transmission.
    - e. Except when there is a reduction or elimination of coverage, if the producer provides the servicing entity with policy change requests by telephone, if the option is available, the producer forwards the completed Policy Change Request form to the servicing entity no later than the first working day after the policy change request is provided by telephone.
  4. If the provisions of Section 23.E.3.~~b and e~~ above are not met, the effective date of coverage shall be determined as follows:
    - a. The coverage shall be made effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the servicing entity as shown by the postmark if the transmittal envelope bears a legible postmark affixed by the United States Postal Service.
    - b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a postage meter, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the servicing entity.
    - c. If the Policy Change Request form is delivered to the servicing entity by any means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the servicing entity.
    - d. If the Policy Change Request form is transmitted to the servicing carrier electronically, coverage shall be made effective at 12:01 A.M. on the day following receipt of electronic transmission by the servicing entity.
- ~~In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.~~
5. The Policy Change Request form shall be forwarded to the servicing entity no later than the first working day after the Policy Change Form is completed.
  - ~~6. If such coverages are not available with the servicing entity, a new application for such coverages shall be submitted to the HJUP and shall become effective in accordance with Section 23.A.~~

6. In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.
7. The producer of record shall maintain appropriate records for all risks for which they have designated the date and hour of coverage and agrees to permit inspection or photocopying of such office records by the HJUP or by a servicing entity representative. This inspection or photocopying will be limited to situations where the date or hour of coverage is in question due to the occurrence of an accident or claim arising under the Policy Change Request form completed in accordance with this Section.

**Sec. 29. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HJUP PRIVATE PASSENGER NONFLEET RISKS**

*Paragraph C is amended as follows:*

**C. Policy Change Request**

Producers must use the ~~prescribed~~ Policy Change Request form authorized for HJUP use or the one provided by the servicing entity when submitting a policy change request. ~~¶The p~~Policy e~~Change~~ ~~¶Request~~ form shall be completed and submitted directly to the servicing entity in accordance with Section 23.

**COMMERCIAL AUTOMOBILE PART**

**Sec. 37. APPLICATION FOR INSURANCE**

*Paragraph F is amended as follows:*

**F. Additional Vehicles or Coverages**

1. If additional coverages are requested during the policy period or coverage for an additional or replacement vehicle is requested, a completed approved Policy Change Request form which can be accessed from the HJUP website or from the servicing entity.
2. The Policy Change Request form shall be ~~submitted~~ forwarded to the servicing entity no later than the first working day after completion.
3. If the completed Policy Change Request form is electronically transmitted to the servicing entity via facsimile (“fax”) or e-mail, the Policy Change Request form is forwarded to the servicing entity no later than the first working day after the Policy Change Request form is completed as shown by the date of the electronic transmission.

If the Policy Change Request form is not forwarded to the servicing entity no later than the first working day after the Policy Change Request form is completed, coverage shall be made effective at 12:01 A.M. on the day following receipt of electronic transmission of the policy change request by the servicing carrier.

34. Premium requirements for additional vehicles or coverages include required deposit, if necessary, payable to the servicing entity and the necessary information to complete the requested change.

If the Policy Change Request form is submitted electronically, any additional premium must be forwarded to the servicing entity no later than the first working day after electronic transmittal of

the Policy Change Request form. If additional premium is not received by the servicing entity within 10 working days, a claim may be filed in accordance with Section 41.

Producers may obtain quoting assistance when completing policy change requests. The producer will submit the quote form, along with required deposit if applicable, directly to the servicing entity.

- 4 5. Coverage will be effective at the date and hour specified in the Policy Change Request form.
6. In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.
- ~~5.7.~~ The producer of record shall maintain appropriate records of all risks submitted to the servicing entity and agrees to permit inspection or photocopying of such records by the HJUP or by the servicing entity representative. This inspection or photocopying will be limited to situations where the date and hour of coverage is in question due to the occurrence of an accident or claim arising under the Policy Change Request form completed.