

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

A G E N D A

Date: January 18, 2023

Time: 9:00 a.m.

In-Person Meeting Location: Queen Lilioukalani Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street
Honolulu, HI 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Webinar (use link below)
<https://dcca-hawaii-gov.zoom.us/j/96757583214>

Phone: 1-669-900-6833
Meeting ID: 967 5758 3214
Passcode: 671299

If you need an auxiliary aid/service or other accommodation due to a disability, contact Jerry Bump at 808-586-0985 and jbump@dcca.hawaii.gov as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Members of the public who wish to submit written testimony, please email Jerry Bump of the Insurance Division at jbump@dcca.hawaii.gov at least 24 hours prior to the meeting.

For both internet and phone access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to five minutes of testimony per agenda item.

INTERNET ACCESS:

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BOARD PACKET MATERIALS WILL BE POSTED AT
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- I. Call to Order
- II. Reading of Antitrust Statement
- III. Approval of Minutes - October 19, 2022
- IV. Financial Reports from the Hawaii Joint Underwriting Plan
- V. Items for Discussion
 - A. Servicing of PP and CPAI Update
 - B. Revisions to A&S Manual
 - C. Revision to CPAI Sole Registered Owner Requirement
 - D. Commercial Implementation Update
- VI. Next Meeting – April 19, 2023, 9:00 a.m.
- VII. Adjournment

October 19, 2022

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

Queen Liliuokalani Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

I. Call to Order

Ms. Maria Carvalho called the meeting to order at 9:01 a.m.

Members Present:

Maria Carvalho

Todd Feltman (State Farm)

Reid Higashi (Business Insurance Services, Inc.)

Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)

Lane Nishioka (Island Insurance)

Kim Sato (Farmers Hawaii)

Others Present:

Jerry Bump (DCCA/Insurance Division)

Claire Taise-Chee (DCCA/Insurance Division)

Victoria Ivanov (AIPSO)

Douglas Beck (AIPSO)

Natalie Benkovich (AIPSO)

Jim Chrones (AIPSO)

Alicia Hanson (AIPSO)

Edward Sullivan (AIPSO)

Members Absent:

Lance Kawano (First Insurance Company of Hawaii)

II. Reading of Antitrust Statement

The antitrust statement was read by Ms. Carvalho 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

Mr. Feltman moved and Ms. Morrow-Blalock seconded the motion to approve the meeting minutes from July 20, 2022. The motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan

Financial reports from AIPSO were previously distributed to the board members by Mr. Bump via email. Nothing additional was noted by AIPSO.

V. Items for Discussion

A. Election of 2023 Officers

In keeping with the past practice of rotating offices among the represented companies, Mr. Feltman moved to elect Ms. Sato as Chair and Mr. Kawano as Vice Chair for 2023. Ms. Morrow-Blalock seconded the motion. The motion passed unanimously.

B. Commercial Implementation Date

Mr. Bump proposed changing the commercial implementation date from September 1 to October 1, 2023 to align with HJUP’s plan year, which runs from October 1 to September 30, allowing for a clean break from the existing servicing carriers to AIPSO as the new servicing provider. Mr. Bump noted that the current servicing carriers, Island Insurance and State Farm, are willing to extend their service for an additional month. Mr. Chrones said that, at this point, October 1 appears to be feasible for AIPSO and that if they run into any roadblocks, AIPSO will let the board know as soon as possible. The group agreed to move forward with the date change.

C. Update from AIPSO on Servicing of PP and CPAI

Noting that, all in all, things are going well, Mr. Beck reported the following:

- 1) Two private passenger policies had been issued as of the end of September, with two or three more to be issued in October. On the JUP policies that were processed since the last meeting, AIPSO ran the first commission cycle, which was successful.
- 2) The number of CPAI policies was up from 381 at the end of September to over 400 with everything working well.
- 3) Working with IC International has been going well.
- 4) The first claims off the CPAI policies have come in. Roughly \$10,000 in reserves have been set up for three policies. No payments have been made yet. AIPSO's claims manager has reviewed all three of the claims and found nothing abnormal.
- 5) There have been two or three glitches in the AIPSO system primarily related to long and hyphenated names of Hawaii producers and insureds not normally seen in the rest of the states. AIPSO has been making adjustments to deal with the issue.

In response to Mr. Feltman's question about how producers are doing with the EASi system, Mr. Chrones reported that the transition has been typical with no significant issues.

VI. Next Board Meeting

January 18, 2023 at 9:00 a.m.

VII. Adjournment

The meeting was adjourned at 9:23 a.m.



January 5, 2023

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

RE: HJUP Cash Flow Projection – As of October 2022

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 (\$61,022) per month, which excludes the assigned claims assessment. We have a \$3,202,793 available balance as of October 31, 2022.

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 2025, the HJUP cash balance is estimated to be \$707,806. 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 401-528-1389 or at Edward.Sullivan@aipso.com.

Sincerely,

Edward Sullivan,
Financial and Investment Services-Accounting- Supervisor

CC: T. Assad D. Maynard V. Ivanov M. Lapierre K. Leite

HAWAII JUP CASH FLOW PROJECTION - AS OF October 2022

Net Cash Flow for 12 months

	Excl Assessments	
Nov-21	\$ (156,589.00)	
Dec-21	\$ (247,494.00)	
Jan-22	\$ 87,455.00	
Feb-22	\$ (127,035.00)	
Mar-22	\$ (164,210.00)	
Apr-22	\$ (64,470.00)	
May-22	\$ 5,859.00	
Jun-22	\$ (1,722.00)	
Jul-22	\$ 422,356.00	
Aug-22	\$ (168,757.00)	
Sep-22	\$ 51,066.00	
Oct-22	\$ (368,720.00)	
	<u>\$ (732,261.00)</u>	Sub total
	\$ (732,261.00)	
	12	
	<u>\$ (61,021.75)</u>	

Average Cash Outflow per Month:

Cash Ending Balance as of October 2022:

3,202,793

2022

Actual Operational Cash Activity (Nov-Dec 2022)	\$ (122,043.50)
EASI- policy system (Nov-Dec 2022)	\$ (2,633.34)
First of HI- S/C staff dedicated to producer and appl processing (Nov-Dec 2022)	\$ (5,000.00)
2022-Min Annual Fee true up- (June-Sept)	\$ (31,400.00)
Min Annual Fee-Serv Provider Fees (Nov-Dec 2022)	\$ (27,000.00)
On Island Presence- (Nov-Dec 2022)	\$ (16,666.66)
Actual Cash Position as of Dec 2022	<u><u>\$ 2,998,049.50</u></u>

2023

Expected Operational Cash outflow	\$ (732,261.00)
EASI- policy system	\$ (15,800.00)
First of HI- S/C staff dedicated to producer and appl processing	\$ (30,000.00)
Min Annual Fee-Serv Provider to perform duties	\$ (162,000.00)
On Island Presence	\$ (100,000.00)
Policy Year Drop 2011 owed Hawaii JUP-Sept 23	\$ 172,049.00
Estimated Cash Position as of Dec 2023	<u><u>\$ 2,130,037.50</u></u>

2024

Expected Operational Cash outflow	\$ (732,261.00)
EASI- policy system	\$ (15,800.00)
First of HI- S/C staff dedicated to producer and appl processing	\$ (30,000.00)
Min Annual Fee-Serv Provider to perform duties	\$ (162,000.00)
On Island Presence	\$ (100,000.00)
Policy Year Drop 2012 owed Hawaii JUP-Sept 2024	\$ 357,581.00
Estimated Cash Position as of Dec 2024	<u><u>\$ 1,447,557.50</u></u>

2025

Expected Operational Cash outflow	\$ (732,261.00)
EASI- policy system	\$ (15,800.00)
First of HI- S/C staff dedicated to producer and appl processing	\$ (30,000.00)
Min Annual Fee-Serv Provider to perform duties	\$ (162,000.00)
On Island Presence	\$ (100,000.00)
Policy Year Drop 2013 owed Hawaii JUP-Sept 2025	\$ 300,309.00
Estimated Cash Position as of Dec 2025	<u><u>\$ 707,805.50</u></u>

Estimated Cash Position as of Dec 2025

\$ 707,805.50

PROJECTED PROGRAM EXPENSES

EASI- policy system	\$ (15,800.00)
	12
	<u>\$ (1,316.67)</u>
First of HI- S/C staff dedicated to producer registration and cust serv, and appl processing	\$ (30,000.00)
	12
	<u>\$ (2,500.00)</u>
Minimum Annual Fee- Servicing Provider Fees	\$ (162,000.00)
	12
	<u>\$ (13,500.00)</u>
On Island Presence-	\$ (100,000.00)
	12
	<u>\$ (8,333.33)</u>

**HAWAII JUP
ANALYSIS OF CASH
MONTHLY BREAKDOWN
October 1, 2021- October 31, 2022**

	BALANCE 10/31/21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	TOTALS
RECEIPTS:														
1 PREMIUM COLLECTIONS		235,710	156,549	238,741	203,284	168,545	144,762	242,226	341,992	209,027	97,192	202,616	81,502	2,322,146
2 COMMISSIONS RETURNED		279	51	94	129	70	132	42	0	122	141	0	0	1,060
3 INTEREST COLLECTED		25	56	25	22	149	341	1,266	2,208	3,629	5,745	6,378	7,467	27,311
5 ASSESSMENT INCOME		582	48	0	4,012	314,104	1,533	0	0	0	0	160	4,546	324,985
6 MEMBERSHIP FEE INCOME		0	0	0	0	0	0	0	0	356,000	0	0	0	356,000
7 LATE FEE INCOME		50	0	0	0	0	50	1,943	0	0	0	0	0	2,043
8 SAL/SUB& O/T-LOSS RECOVERIES		175	5,671	3,854	125	2,816	5,971	50	9,868	35,101	10,150	15,460	0	89,241
9 ASSIGN. CLAIMS SAL/SUB		250	298	250	250	250	250	330	330	350	350	350	250	3,508
10 STAT SUMMARY/INVEST INCOME-		0	0	0	0	0	0	0	0	0	0	0	0	0
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	4,226	0	0	0	0	0	0	0	4,226
13 RETRO ACTIVE FEE INCOME		0	0	0	0	0	0	0	0	0	0	107,226	0	107,226
TOTAL RECEIPTS		237,071	162,673	242,964	207,822	490,160	153,039	245,857	354,398	604,229	113,578	332,190	93,765	3,237,746
EXPENSES:														
14 POLICYHOLDERS REFUNDS		15,344	4,830	27,918	21,844	15,358	27,279	6,570	24,422	14,078	18,836	16,827	9,666	202,972
15 PRODUCER COMMISSIONS		9,046	9,686	5,630	9,336	7,673	12,513	7,678	5,935	16,256	10,730	8,355	4,470	107,308
16 CLAIMS REIM TO VOL CARR		262,239	286,153	43,943	177,515	231,071	59,082	129,498	193,650	92,232	123,291	116,454	325,290	2,040,418
17 ASSIG. CLAIMS DRAFTS CASHED		18,911	20,353	13,465	54,468	3,357	31,839	23,470	11,627	21,662	51,196	1,445	2,302	254,095
18 TRANSFERS TO S/C		0	0	0	0	0	0	0	0	0	0	0	0	0
19 SERVICING CARRIER FEES		68,664	68,790	42,485	58,438	61,557	60,486	52,875	102,967	15,216	53,616	97,010	74,188	756,292
20 INTEREST PAID ON INVEST/AMORT		0	0	0	0	0	0	0	0	0	0	0	0	0
21 ASSESSMENT DISTRIBUTION		197,669	48	2,194	0	0	0	0	4,226	0	0	0	0	204,137
22 AIPSO-S/R & C/P FEES & OTHER		18,874	20,307	22,068	9,244	21,250	24,777	19,907	17,519	22,429	24,666	40,873	42,023	283,937
TOTAL EXPENSES		590,747	410,167	157,703	330,845	340,266	215,976	239,998	360,346	181,873	282,335	280,964	457,939	3,849,159
NET CASH FLOW - INCL ASST INCOME		(353,676)	(247,494)	85,261	(123,023)	149,894	(62,937)	5,859	(5,948)	422,356	(168,757)	51,226	(364,174)	(611,413)
NET CASH FLOW - EXCL ASST INCOME		(156,589)	(247,494)	87,455	(127,035)	(164,210)	(64,470)	5,859	(1,722)	422,356	(168,757)	51,066	(368,720)	(732,261)
ENDING CASH & INVESTMENTS	3,788,810	3,435,134	3,187,640	3,272,901	3,149,878	3,299,772	3,236,835	3,242,694	3,236,746	3,659,102	3,490,345	3,541,571	3,177,397	

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

** 25,396

Actual Cash Balance as of October 2022

3,202,793



January 5, 2023

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

RE: HJUP - FINANCIAL STATEMENTS – QUARTER ENDING 9/30/2022

Dear Jerry:

Attached are the Hawaii Joint Underwriting Plan financial statements for the period ended **September 30, 2022**. 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 – \$0
 - Premium Deficiency Reserve - \$0
 - Servicing Carrier Fees Claim LAE- \$698.00.
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) 528-1473.

Sincerely,



Edward Sullivan,
Financial and Investment Services-Supervisor,

cc: Gordon Ito, HJUP
Thomas Assad, AIPSO
Kim Caputo, AIPSO
David Maynard, AIPSO
Victoria Ivanov, AIPSO
Michelle Lapierre, AIPSO

Attachments

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2022

	9/30/2022	9/30/2021
<u>Assets</u>		
<u>Cash (Overdraft)</u>		
Central Bank	\$ (39,157.75)	\$ (242,340.13)
Central Processor	-	-
Concentration Account	203,006.15	879,652.56
Servicing Carrier - Depository Cash	128,788.03	146,493.49
Servicing Carrier - Checks Outstanding	(41,795.83)	10,268.23
Total Cash (Overdraft)	250,840.60	794,074.15
Investments	3,332,969.23	3,063,099.45
<u>Accounts Receivable</u>		
Servicing Carriers Premium Accounts	109,538.86	92,554.30
Cr Cards - State National	(662.75)	-
Salvage and Subrogation	(0.00)	(2,146.29)
Assigned Claims Program	298,160.76	319,877.99
Member Company	17,594.00	582.00
Accrued Interest	-	-
Late Payment Penalty Fees	100.00	1,893.14
Other	-	-
Installment Fees - State National	4.00	-
Due from Other JUA Plans	-	-
Total Accounts Receivable	424,734.87	412,761.14
Claim Service Fee Reserve	252,518.00	304,928.00
Total Assets	\$4,261,062.70	\$4,574,862.74
<u>Liabilities & Members' Equity (Deficit)</u>		
Loss Reserves (Incl IBNR)	\$ 2,058,783.74	\$ 1,812,357.14
Unearned Premium Reserve	1,598,717.56	1,880,767.23
Premium Deficiency Reserve	324,659.00	352,665.00
Outstanding Drafts	133,015.36	314,891.07
Outstanding Drafts - Assigned Claims	2,286.32	7,108.99
Escheat Reserves	67,267.93	70,288.63
<u>Accounts Payable</u>		
Servicing Carrier Fees- Claims	56,272.90	69,805.85
Servicing Carrier Fees- Operating	24,030.93	55,962.02
Unallocated Claim Expense Allowance	6,442.05	11,686.81
AIPSO	66,475.76	15,403.03
Commissions	3,486.63	22,334.50
Advanced Premium Collections	34,615.00	6,674.50
Other	2,500.00	2,548.00
Total Accounts Payable	193,823.27	184,414.71
Total Liabilities	4,378,553.18	4,622,492.77
Members' Equity (Deficit)	(117,490.48)	(47,630.03)
Total Liabilities & Members' Equity (Deficit)	\$4,261,062.70	\$4,574,862.74

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022

	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	\$726,419.55	\$1,122,736.94	\$3,303,893.61	\$3,615,840.91	(\$311,947.30)	-8.63%
Change in Unearned Premiums	(135,827.75)	212,102.23	(282,049.67)	217,948.01	(499,997.68)	-229.41%
Premiums Earned	862,247.30	910,634.71	3,585,943.28	3,397,892.90	188,050.38	5.53%
<u>Deductions:</u>						
Losses Paid	236,663.77	674,027.33	1,628,617.89	1,301,883.69	326,734.20	25.10%
Change in Loss Reserves	332,083.53	(316,641.56)	246,426.60	(197,331.77)	443,758.37	-224.88%
Losses Incurred	568,747.30	357,385.77	1,875,044.49	1,104,551.92	770,492.57	69.76%
Change in Premium Deficiency Reserve	(7,301.00)	(29,281.00)	(28,006.00)	(55,056.00)	27,050.00	-49.13%
Servicing Carrier Fees - Claims LAE	105,562.33	173,913.85	391,271.13	352,580.60	38,690.53	10.97%
Servicing Carrier Fees - Operating	43,984.88	101,253.65	266,790.06	311,300.71	(44,510.65)	-14.30%
Commissions Written	22,814.90	41,689.43	105,908.68	114,700.29	(8,791.61)	-7.66%
Total Underwriting Deductions	733,808.41	644,961.70	2,611,008.36	1,828,077.52	782,930.84	42.83%
Net Underwriting Gain (Loss)	128,438.89	265,673.01	974,934.92	1,569,815.38	(594,880.46)	-37.89%
Investment Income	15,751.89	73.38	19,869.78	283.32	19,586.46	6913.19%
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	(229.00)	(201.00)	(28.00)	13.93%
Membership Fees	0.00	0.00	356,000.00	363,000.00	(7,000.00)	-1.93%
Late Penalty Fees	-	1,843.14	250.00	1,893.14	(1,643.14)	-86.79%
Commissions Charged Off	(12.85)	-	(94.82)	(397.81)	302.99	-76.16%
Premiums Charged Off	(299.68)	(2,825.44)	(1,113.40)	(3,715.11)	2,601.71	-70.03%
Premiums Charged Off - CPAI	(276,793.42)	(274,185.40)	(1,166,342.48)	(1,256,109.97)	89,767.49	-7.15%
Other than Underwriting Expenses	(116,507.57)	(56,710.11)	(304,222.77)	(261,043.40)	(43,179.37)	16.54%
Total Other Income (Expenses)	(393,613.52)	(331,877.81)	(1,115,752.47)	(1,156,574.15)	40,821.68	-3.53%
Net Gain (Loss)	(\$249,422.74)	(\$66,131.42)	(\$120,947.77)	\$413,524.55	(\$534,472.32)	-129.25%

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED STATEMENT OF OTHER THAN UNDERWRITING EXPENSES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022

	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%
Legal & Audit Expense	0.00	0.00	0.00	1,735.75	(1,735.75)	-100.00%
Software Equipment	18,902.37	18,495.96	75,067.60	75,088.39	(20.79)	-0.03%
Central Processor	41,381.73	33,496.25	139,858.64	157,585.75	(17,727.11)	-11.25%
Bank and Finance Charges	2,851.58	2,217.90	9,956.92	8,674.92	1,282.00	14.78%
Rate making Expense	-	-	7,260.00	7,768.20	(508.20)	-6.54%
Bad Debt	0.00	0.00	(0.01)	0.06	(0.07)	-116.67%
Misc Shared Resources	7,500.00	0.00	10,000.00	0.00	10,000.00	0.00%
Fronting CO Fees - AIO HI	18,371.90	0.00	18,746.30	0.00	18,746.30	0.00%
Other	24,999.99	-	33,333.32	190.33	33,142.99	17413.43%
Total Other Than Underwriting Expenses	<u>\$ 116,507.57</u>	<u>\$ 56,710.11</u>	<u>\$ 304,222.77</u>	<u>\$ 261,043.40</u>	<u>\$ 43,179.37</u>	<u>16.54%</u>

**HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED EXHIBIT OF RESERVES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 1,880,767.23	\$ (151,965.44)	\$ 18,454.45	\$ (12,710.93)	\$ (135,827.75)	\$ 1,598,717.56
Premium Deficiency Reserve	352,665.00	(25,587.00)	6,131.00	(1,249.00)	(7,301.00)	324,659.00
Loss Reserves	\$ 1,380,464.14	\$ (354,227.31)	\$ 263,023.54	\$ (6,031.16)	\$ 297,568.53	\$ 1,580,797.74
IBNR Loss Reserves	537,197.00	(199,193.00)	174,412.00	69,900.00	18,385.00	600,701.00
Anticipated Salvage and Subrogation	(105,304.00)	6,753.00	(10,297.00)	(29,997.00)	16,130.00	(122,715.00)
Net Loss Reserves	<u>\$ 1,812,357.14</u>	<u>\$ (546,667.31)</u>	<u>\$ 427,138.54</u>	<u>\$ 33,871.84</u>	<u>\$ 332,083.53</u>	<u>\$ 2,058,783.74</u>

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED QUARTERLY RESULTS OF OPERATION

	Quarter Ending Sep 2022	Quarter Ending Jun 2022	Quarter Ending Mar 2022	Quarter Ending Dec 2021	Quarter Ending Sep 2021
<u>Underwriting Income:</u>					
Premium Written	\$726,419.55	\$891,957.88	\$912,011.51	\$773,504.67	\$1,122,736.94
Change in Unearned Premiums	(135,827.75)	(12,710.93)	18,454.45	(151,965.44)	212,102.23
Premiums Earned	862,247.30	904,668.81	893,557.06	925,470.11	910,634.71
<u>Deductions:</u>					
Losses Paid	236,663.77	392,942.94	421,486.06	577,525.12	674,027.33
Change in Loss Reserves	332,083.53	33,871.84	427,138.54	(546,667.31)	(316,641.56)
Losses Incurred	568,747.30	426,814.78	848,624.60	30,857.81	357,385.77
Change in Premium Deficiency Reserve	(7,301.00)	(1,249.00)	6,131.00	(25,587.00)	(29,281.00)
Servicing Carrier Fees - Claims LAE	105,562.33	104,484.73	95,747.21	85,476.86	173,913.85
Servicing Carrier Fees - Operating	43,984.88	77,901.76	78,190.03	66,713.39	101,253.65
Commissions Written	22,814.90	29,734.77	29,422.48	23,936.53	41,689.43
Total Underwriting Deductions	733,808.41	637,687.04	1,058,115.32	181,397.59	644,961.70
Net Underwriting Gain (Loss)	128,438.89	266,981.77	(164,558.26)	744,072.52	265,673.01
Investment Income	15,751.89	3,814.76	195.94	107.19	73.38
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	(229.00)	-	0.00
Membership Fees	0.00	356,000.00	-	0.00	0.00
Late Penalty Fees	-	200.00	-	50.00	1,843.14
Commissions Charged Off	(12.85)	(63.53)	-	(18.44)	-
Premiums Charged Off	(299.68)	157.00	(254.00)	(716.72)	(2,825.44)
Premiums Charged Off - CPAI	(276,793.42)	(282,350.85)	(340,295.84)	(266,902.37)	(274,185.40)
Other than Underwriting Expenses	(116,507.57)	(75,912.97)	(54,788.52)	(57,013.71)	(56,710.11)
Total Other Income (Expenses)	(393,613.52)	(1,970.35)	(395,567.36)	(324,601.24)	(331,877.81)
Net Gain (Loss)	(\$249,422.74)	\$268,826.18	(\$559,929.68)	\$419,578.47	(\$66,131.42)

**HAWAII JOINT UNDERWRITING PLAN
RETAINED EARNINGS
SEPTEMBER 30, 2022**

Trial Balance

Total Assets	\$4,008,544.70
Total Liabilities	(\$4,126,035.18)
Total Retained Earnings	\$29,876.03
Liabilities + Retained Earnings	(4,096,159.15)
Assets + Liabilities + Retained Earnings	(87,614.45)
Total Income	(\$3,679,689.57)
Total Expense	\$3,767,304.02
Net (Income) & Expense	87,614.45
Difference	0.00

Retained Earnings

Retained Earnings from Trial Balance	\$29,876.03
Net (Income) & Expense from Trial Balance	\$87,614.45
Total Retained Earnings	\$117,490.48

**HAWAII JOINT UNDERWRITING PLAN
CPAI
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$276,793.42	\$1,150,349.48
Change in Unearned Premiums	(12,567.87)	(18,187.57)
Premiums Earned	<u>289,361.29</u>	<u>1,168,537.05</u>
<u>Deductions</u>		
Losses Paid	66,102.70	383,985.51
Change in Loss Reserves	(62,483.83)	(243,434.65)
Losses Incurred	<u>3,618.87</u>	<u>140,550.86</u>
Change in Premium Deficiency Reserve	(7,301.00)	(28,006.00)
Servicing Carrier Fees - Claims LAE	52,608.64	151,535.93
Servicing Carrier Fees - Operating	(73.54)	46,723.83
Servicing Carrier Fees - Collections	-	-
Commissions Written	-	-
Total Underwriting Deductions	<u>48,852.97</u>	<u>310,804.62</u>
Net Underwriting Gain (Loss)	<u>240,508.32</u>	<u>857,732.43</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	-	-
Premiums Charged Off	(276,793.42)	(1,166,342.48)
Fronting Co Fees - AIO HI	(18,371.90)	(18,746.30)
Other than Underwriting Expenses	(33,333.32)	(33,333.32)
Total Other Income (Expenses)	<u>(328,498.64)</u>	<u>(1,218,422.10)</u>
Net Gain (Loss)	<u><u>(\$87,990.32)</u></u>	<u><u>(\$360,689.67)</u></u>

HAWAII JOINT UNDERWRITING PLAN
CPAI
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 587,001.15	\$ (42,179.53)	\$ 39,255.22	\$ (2,695.39)	\$ (12,567.87)	\$ 568,813.58
Premium Deficiency Reserve	352,665.00	(25,587.00)	6,131.00	(1,249.00)	(7,301.00)	324,659.00
Loss Reserves	\$ 391,967.05	\$ (80,480.27)	\$ (40,757.71)	\$ (29,543.84)	\$ (57,721.83)	\$ 183,463.40
IBNR Loss Reserves	153,616.00	(83,237.00)	53,351.00	(3,535.00)	(3,245.00)	116,950.00
Anticipated Salvage and Subrogation	(14,393.00)	1,538.00	1,886.00	(172.00)	(1,517.00)	(12,658.00)
Net Loss Reserves	<u>\$ 531,190.05</u>	<u>\$ (162,179.27)</u>	<u>\$ 14,479.29</u>	<u>\$ (33,250.84)</u>	<u>\$ (62,483.83)</u>	<u>\$ 287,755.40</u>

HAWAII JOINT UNDERWRITING PLAN
CPAI
QUARTERLY RESULTS OF OPERATION

	Quarter Ending Sep 2022	Quarter Ending Jun 2022	Quarter Ending Mar 2022	Quarter Ending Dec 2021	Quarter Ending Sep 2021
<u>Underwriting Income:</u>					
Premium Written	\$276,793.42	\$282,350.85	\$325,277.84	\$265,927.37	\$275,501.40
Change in Unearned Premiums	(12,567.87)	(2,695.39)	39,255.22	(42,179.53)	(47,747.36)
Premiums Earned	289,361.29	285,046.24	286,022.62	308,106.90	323,248.76
<u>Deductions:</u>					
Losses Paid	66,102.70	89,312.06	119,368.64	109,202.11	138,886.95
Change in Loss Reserves	(62,483.83)	(33,250.84)	14,479.29	(162,179.27)	8,127.19
Losses Incurred	3,618.87	56,061.22	133,847.93	(52,977.16)	147,014.14
Change in Premium Deficiency Reserve	(7,301.00)	(1,249.00)	6,131.00	(25,587.00)	(29,281.00)
Servicing Carrier Fees - Claims LAE	52,608.64	71,656.07	31,623.71	28,980.83	27,198.85
Servicing Carrier Fees - Operating	(73.54)	11,325.05	19,516.67	15,955.65	16,530.08
Commissions Written	-	-	-	-	-
Total Underwriting Deductions	48,852.97	137,793.34	191,119.31	(33,627.68)	161,462.07
Net Underwriting Gain (Loss)	240,508.32	147,252.90	94,903.31	341,734.58	161,786.69
Investment Income	-	-	-	-	-
Gain (Loss) on Investments	-	-	-	-	-
<u>Other Income (Expenses):</u>					
Membership Fees	-	-	-	-	-
Late Penalty Fees	-	-	-	-	-
Commissions Charged Off	-	-	-	-	-
Premiums Charged Off	-	-	-	-	-
Premiums Charged Off - CPAI	(276,793.42)	(282,350.85)	(340,295.84)	(266,902.37)	(274,185.40)
Other than Underwriting Expenses	(51,705.22)	(374.40)	-	-	-
Total Other Income (Expenses)	(328,498.64)	(282,725.25)	(340,295.84)	(266,902.37)	(274,185.40)
Net Gain (Loss)	(\$87,990.32)	(\$135,472.35)	(\$245,392.53)	\$74,832.21	(\$112,398.71)

**HAWAII JOINT UNDERWRITING PLAN
COMMERCIAL
STATEMENT OF INCOME AND EXPENSES
SEPTEMBER 30, 2022**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$437,860.95	\$2,071,819.40
Change in Unearned Premiums	(111,722.62)	(236,665.30)
Premiums Earned	<u>549,583.57</u>	<u>2,308,484.70</u>
<u>Deductions</u>		
Losses Paid	152,358.96	1,225,512.09
Change in Loss Reserves	415,223.17	411,587.06
Losses Incurred	<u>567,582.13</u>	<u>1,637,099.15</u>
Change in Premium Deficiency Reserve	-	-
Servicing Carrier Fees - Claims LAE	51,253.29	300,575.10
Servicing Carrier Fees - Operating	43,786.10	207,181.96
Servicing Carrier Fees - Collections	-	-
Commissions Written	21,893.02	103,590.98
Total Underwriting Deductions	<u>684,514.54</u>	<u>2,248,447.19</u>
Net Underwriting Gain (Loss)	(134,930.97)	60,037.51
<u>Other Income (Expenses)</u>		
Commissions Charged Off	-	-
Premiums Charged Off	(292.50)	(415.22)
Fronting Co Fees - AIO HI	-	-
Other than Underwriting Expenses	-	-
Total Other Income (Expenses)	<u>(292.50)</u>	<u>(415.22)</u>
Net Gain (Loss)	<u><u>(\$135,223.47)</u></u>	<u><u>\$59,622.29</u></u>

**HAWAII JOINT UNDERWRITING PLAN
COMMERCIAL
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 1,236,918.99	\$ (117,383.94)	\$ (934.37)	\$ (6,624.37)	\$ (111,722.62)	\$ 1,000,253.69
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 988,497.09	\$ (273,747.04)	\$ 300,781.25	\$ (42,904.32)	\$ 364,878.17	\$ 1,337,505.15
IBNR Loss Reserves	370,970.00	(110,784.00)	114,626.00	44,008.00	32,228.00	451,048.00
Anticipated Salvage and Subrogation	(90,691.00)	5,174.00	(12,066.00)	(28,724.00)	18,117.00	(108,190.00)
Net Loss Reserves	<u>\$ 1,268,776.09</u>	<u>\$ (379,357.04)</u>	<u>\$ 403,341.25</u>	<u>\$ (27,620.32)</u>	<u>\$ 415,223.17</u>	<u>\$ 1,680,363.15</u>

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

	Quarter Ending Sep 2022	Quarter Ending Jun 2022	Quarter Ending Mar 2022	Quarter Ending Dec 2021	Quarter Ending Sep 2021
<u>Underwriting Income:</u>					
Premium Written	\$437,860.95	\$586,671.81	\$577,083.34	\$470,203.30	\$821,985.08
Change in Unearned Premiums	(111,722.62)	(6,624.37)	(934.37)	(117,383.94)	265,890.06
Premiums Earned	549,583.57	593,296.18	578,017.71	587,587.24	556,095.02
<u>Deductions:</u>					
Losses Paid	152,358.96	303,116.74	300,150.08	469,886.31	510,858.84
Change in Loss Reserves	415,223.17	(27,620.32)	403,341.25	(379,357.04)	(293,230.75)
Losses Incurred	567,582.13	275,496.42	703,491.33	90,529.27	217,628.09
Change in Premium Deficiency Reserve	-	-	-	-	-
Servicing Carrier Fees - Claims LAE	51,253.29	134,021.50	61,426.68	53,873.63	47,836.99
Servicing Carrier Fees - Operating	43,786.10	58,667.19	57,708.33	47,020.34	82,198.52
Commissions Written	21,893.02	29,333.61	29,008.47	23,355.88	41,135.56
Total Underwriting Deductions	684,514.54	497,518.72	851,634.81	214,779.12	388,799.16
Net Underwriting Gain (Loss)	(134,930.97)	95,777.46	(273,617.10)	372,808.12	167,295.86
Investment Income	-	-	-	-	-
Gain (Loss) on Investments	-	-	-	-	-
<u>Other Income (Expenses):</u>					
Membership Fees	-	-	-	-	-
Late Penalty Fees	-	-	-	-	-
Commissions Charged Off	-	-	-	-	-
Premiums Charged Off	(292.50)	157.00	(254.00)	(25.72)	(1,583.98)
Premiums Charged Off - CPAI	-	-	-	-	-
Other than Underwriting Expenses	-	-	-	-	-
Total Other Income (Expenses)	(292.50)	157.00	(254.00)	(25.72)	(1,583.98)
Net Gain (Loss)	(\$135,223.47)	\$95,934.46	(\$273,871.10)	\$372,782.40	\$165,711.88

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - OTHER
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	(\$888.82)	\$22,752.40
Change in Unearned Premiums	(7,271.69)	(4,450.17)
Premiums Earned	<u>6,382.87</u>	<u>27,202.57</u>
<u>Deductions</u>		
Losses Paid	10,000.00	11,967.34
Change in Loss Reserves	(17,114.00)	70,805.00
Losses Incurred	<u>(7,114.00)</u>	<u>82,772.34</u>
Change in Premium Deficiency Reserve	-	-
Servicing Carrier Fees - Claims LAE	707.62	3,027.67
Servicing Carrier Fees - Operating	(88.88)	2,275.24
Servicing Carrier Fees - Collections	-	-
Commissions Written	(34.72)	455.21
Total Underwriting Deductions	<u>(6,529.98)</u>	<u>88,530.46</u>
Net Underwriting Gain (Loss)	12,912.85	(61,327.89)
<u>Other Income (Expenses)</u>		
Commissions Charged Off	(12.85)	(94.82)
Premiums Charged Off	(7.18)	(698.18)
Fronting Co Fees - AIO HI	-	-
Other than Underwriting Expenses	-	-
Total Other Income (Expenses)	<u>(20.03)</u>	<u>(793.00)</u>
Net Gain (Loss)	<u>\$12,892.82</u>	<u>(\$62,120.89)</u>

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - OTHER
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 13,783.89	\$ 1,771.15	\$ (5,867.58)	\$ 6,917.95	\$ (7,271.69)	\$ 9,333.72
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ -	\$ -	\$ -	\$ 60,000.00	\$ (7,750.00)	\$ 52,250.00
IBNR Loss Reserves	3,892.00	(1,278.00)	933.00	28,264.00	(9,364.00)	22,447.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Net Loss Reserves	<u>\$ 3,892.00</u>	<u>\$ (1,278.00)</u>	<u>\$ 933.00</u>	<u>\$ 88,264.00</u>	<u>\$ (17,114.00)</u>	<u>\$ 74,697.00</u>

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

	Quarter Ending Sep 2022	Quarter Ending Jun 2022	Quarter Ending Mar 2022	Quarter Ending Dec 2021	Quarter Ending Sep 2021
<u>Underwriting Income:</u>					
Premium Written	(\$888.82)	\$13,957.22	\$1,418.00	\$8,266.00	\$2,929.00
Change in Unearned Premiums	(7,271.69)	6,917.95	(5,867.58)	1,771.15	(3,804.10)
Premiums Earned	6,382.87	7,039.27	7,285.58	6,494.85	6,733.10
<u>Deductions:</u>					
Losses Paid	10,000.00	-	1,967.34	-	24,281.54
Change in Loss Reserves	(17,114.00)	88,264.00	933.00	(1,278.00)	(31,316.00)
Losses Incurred	(7,114.00)	88,264.00	2,900.34	(1,278.00)	(7,034.46)
Change in Premium Deficiency Reserve	-	-	-	-	-
Servicing Carrier Fees - Claims LAE	707.62	786.02	808.94	725.09	762.74
Servicing Carrier Fees - Operating	(88.88)	1,395.72	141.80	826.60	292.90
Commissions Written	(34.72)	194.01	155.32	140.60	210.00
Total Underwriting Deductions	(6,529.98)	90,639.75	4,006.40	414.29	(5,768.82)
Net Underwriting Gain (Loss)	12,912.85	(83,600.48)	3,279.18	6,080.56	12,501.92
Investment Income	-	-	-	-	-
Gain (Loss) on Investments	-	-	-	-	-
<u>Other Income (Expenses):</u>					
Membership Fees	-	-	-	-	-
Late Penalty Fees	-	-	-	-	-
Commissions Charged Off	(12.85)	(63.53)	-	(18.44)	-
Premiums Charged Off	(7.18)	-	-	(691.00)	(1,023.00)
Premiums Charged Off - CPAI	-	-	-	-	-
Other than Underwriting Expenses	-	-	-	-	-
Total Other Income (Expenses)	(20.03)	(63.53)	-	(709.44)	(1,023.00)
Net Gain (Loss)	\$12,892.82	(\$83,664.01)	\$3,279.18	\$5,371.12	\$11,478.92

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - HIGH RISK
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$12,654.00	\$58,972.33
Change in Unearned Premiums	(4,265.57)	(22,746.63)
Premiums Earned	<u>16,919.57</u>	<u>81,718.96</u>
<u>Deductions</u>		
Losses Paid	8,202.11	7,152.95
Change in Loss Reserves	(3,071.81)	9,116.19
Losses Incurred	<u>5,130.30</u>	<u>16,269.14</u>
Change in Premium Deficiency Reserve	-	-
Servicing Carrier Fees - Claims LAE	1,690.78	8,933.29
Servicing Carrier Fees - Operating	361.20	10,609.03
Servicing Carrier Fees - Collections	-	-
Commissions Written	956.60	1,862.49
Total Underwriting Deductions	<u>8,138.88</u>	<u>37,673.95</u>
Net Underwriting Gain (Loss)	8,780.69	44,045.01
<u>Other Income (Expenses)</u>		
Commissions Charged Off	-	-
Premiums Charged Off	-	-
Fronting Co Fees - AIO HI	-	-
Other than Underwriting Expenses	-	-
Total Other Income (Expenses)	<u>-</u>	<u>-</u>
Net Gain (Loss)	<u><u>\$8,780.69</u></u>	<u><u>\$44,045.01</u></u>

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - HIGH RISK
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH SEPTEMBER 30, 2022**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 43,063.20	\$ 5,826.88	\$ (13,998.82)	\$ (10,309.12)	\$ (4,265.57)	\$ 20,316.57
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ -	\$ -	\$ 3,000.00	\$ 6,417.00	\$ (1,837.81)	\$ 7,579.19
IBNR Loss Reserves	8,719.00	(3,894.00)	5,502.00	1,163.00	(1,234.00)	10,256.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Net Loss Reserves	<u>\$ 8,719.00</u>	<u>\$ (3,894.00)</u>	<u>\$ 8,502.00</u>	<u>\$ 7,580.00</u>	<u>\$ (3,071.81)</u>	<u>\$ 17,835.19</u>

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

	Quarter Ending Sep 2022	Quarter Ending Jun 2022	Quarter Ending Mar 2022	Quarter Ending Dec 2021	Quarter Ending Sep 2021
<u>Underwriting Income:</u>					
Premium Written	\$12,654.00	\$8,978.00	\$8,232.33	\$29,108.00	\$22,321.46
Change in Unearned Premiums	(4,265.57)	(10,309.12)	(13,998.82)	5,826.88	(2,236.37)
Premiums Earned	16,919.57	19,287.12	22,231.15	23,281.12	24,557.83
<u>Deductions:</u>					
Losses Paid	8,202.11	514.14	-	(1,563.30)	-
Change in Loss Reserves	(3,071.81)	7,580.00	8,502.00	(3,894.00)	(921.00)
Losses Incurred	5,130.30	8,094.14	8,502.00	(5,457.30)	(921.00)
Change in Premium Deficiency Reserve	-	-	-	-	-
Servicing Carrier Fees - Claims LAE	1,690.78	2,150.32	2,492.88	2,599.31	2,709.93
Servicing Carrier Fees - Operating	361.20	6,513.80	823.23	2,910.80	2,232.15
Commissions Written	956.60	207.15	258.69	440.05	343.87
Total Underwriting Deductions	8,138.88	16,965.41	12,076.80	492.86	4,364.95
Net Underwriting Gain (Loss)	8,780.69	2,321.71	10,154.35	22,788.26	20,192.88
Investment Income	-	-	-	-	-
Gain (Loss) on Investments	-	-	-	-	-
<u>Other Income (Expenses):</u>					
Membership Fees	-	-	-	-	-
Late Penalty Fees	-	-	-	-	-
Commissions Charged Off	-	-	-	-	-
Premiums Charged Off	-	-	-	-	(218.46)
Premiums Charged Off - CPAI	-	-	-	-	-
Other than Underwriting Expenses	-	-	-	-	-
Total Other Income (Expenses)	-	-	-	-	(218.46)
Net Gain (Loss)	\$8,780.69	\$2,321.71	\$10,154.35	\$22,788.26	\$19,974.42

HAWAII COMMERCIAL Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

	A	B	C	D	E	F	G	H	I	J	K	L	M
			Losses	Claim	Other	B-C-D-E	Net Misc.	F-G	C/B	D/B	E/A	I+J+K	L+(G/A)
Policy Year	Premium Written	Premium Earned	Incurring Including IBNR	Service Fees	Underwriting Expenses	Net Underwriting Results	Income & Expense	Net Result of Operations	Incurring Losses	LAE Incurred	Other U/W Exp	Net U/W Result	Net Operating Result
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	2,423,229	2,423,229	562,504	236,855	357,279	1,266,591	40,414	1,226,177	23.21%	9.77%	14.74%	47.72%	49.39%
2012	1,930,696	1,930,696	596,078	188,695	288,068	857,855	-129,733	987,588	30.87%	9.77%	14.92%	55.56%	48.84%
2013	1,870,239	1,870,239	564,551	188,119	280,056	837,512	-32,501	870,013	30.19%	10.06%	14.97%	55.22%	53.48%
2014	2,223,640	2,223,640	730,438	219,850	328,411	944,941	23,782	921,160	32.85%	9.89%	14.77%	57.51%	58.58%
2015	2,637,269	2,637,269	1,502,060	279,773	395,860	459,576	-595,621	1,055,197	56.96%	10.61%	15.01%	82.58%	60.00%
2016	3,252,937	3,252,937	1,462,305	321,026	488,003	981,602	-66,797	1,048,400	44.95%	9.87%	15.00%	69.82%	67.77%
2017	3,584,045	3,584,045	3,342,371	410,720	537,554	-706,600	-72,614	-633,986	93.26%	11.46%	15.00%	119.72%	117.69%
2018	3,228,757	3,228,757	1,131,747	311,407	484,264	1,301,339	-125,697	1,427,036	35.05%	9.64%	15.00%	59.69%	55.80%
2019	2,697,936	2,697,936	1,520,583	267,083	404,690	505,580	-139,983	645,563	56.36%	9.90%	15.00%	81.26%	76.07%
2020	1,830,297	1,830,297	651,920	176,280	274,581	727,516	56,574	670,942	35.62%	9.63%	15.00%	60.25%	63.34%
2021	2,311,888	2,253,586	1,228,903	219,230	346,783	458,670	-61,862	520,532	54.53%	9.73%	15.00%	79.26%	76.58%
2022	1,607,338	665,386	542,072	80,059	241,101	-197,845	-124,112	-73,733	81.47%	12.03%	15.00%	108.50%	100.78%
Total	29,598,270	28,598,017	13,835,531	2,899,096	4,426,652	7,436,738	-1,228,151	8,664,889	48.38%	10.14%	14.96%	73.48%	69.33%
Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	2,423,229	2,423,229	562,504	236,855	357,279	1,266,591	40,414	1,226,177	23.21%	9.77%	14.74%	47.72%	49.39%
2012	1,930,696	1,930,696	596,078	188,695	288,068	857,855	-129,733	987,588	30.87%	9.77%	14.92%	55.56%	48.84%
2013	1,870,239	1,870,239	564,551	188,119	280,056	837,512	-32,501	870,013	30.19%	10.06%	14.97%	55.22%	53.48%
2014	2,223,640	2,223,640	730,638	219,850	328,411	944,741	23,782	920,960	32.86%	9.89%	14.77%	57.52%	58.59%
2015	2,637,269	2,637,269	1,502,060	279,773	395,860	459,576	-595,621	1,055,197	56.96%	10.61%	15.01%	82.58%	60.00%
2016	3,252,937	3,252,937	1,480,648	322,626	488,003	961,660	-66,797	1,028,457	45.52%	9.92%	15.00%	70.44%	68.39%
2017	3,584,045	3,584,045	3,313,550	410,720	537,554	-677,779	-72,614	-605,165	92.45%	11.46%	15.00%	118.91%	116.88%
2018	3,228,757	3,228,757	1,135,322	311,482	484,264	1,297,689	-125,697	1,423,386	35.16%	9.65%	15.00%	59.81%	55.92%
2019	2,697,936	2,697,936	1,407,092	267,083	404,690	619,071	-139,983	759,054	52.15%	9.90%	15.00%	77.05%	71.86%
2020	1,828,610	1,782,776	566,331	171,771	274,328	770,347	56,574	713,773	31.77%	9.64%	15.00%	56.41%	59.50%
2021	1,849,094	658,008	339,632	66,138	277,364	-25,125	-96,402	71,277	51.62%	10.05%	15.00%	76.67%	71.46%
Total	27,526,451	26,289,532	12,198,406	2,663,110	4,115,879	7,312,137	-1,138,579	8,450,716	46.40%	10.13%	14.95%	71.48%	67.34%
Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	-200	0	0	200	0	200	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	-18,343	-1,600	0	19,943	0	19,943	0	0	0	0	0
2017	0	0	28,821	0	0	-28,821	0	-28,821	0	0	0	0	0
2018	0	0	-3,575	-75	0	3,650	0	3,650	0	0	0	0	0
2019	0	0	113,491	0	0	-113,491	0	-113,491	0	0	0	0	0
2020	1,687	47,521	85,589	4,509	253	-42,831	0	-42,831	0	0	0	0	0
2021	462,794	1,595,578	889,271	153,093	69,419	483,795	34,540	449,255	0	0	0	0	0
2022	1,607,338	665,386	542,072	80,059	241,101	-197,845	-124,112	-73,733	0	0	0	0	0
Total	2,071,819	2,308,485	1,637,125	235,986	310,773	124,601	-89,572	214,173					

Note: This is not a Member Participation Report. See User's Guide for Adjustments under Miscellaneous Income and Expense.

HAWAII COMMERCIAL Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

Policy Year	INCURRED LOSSES			LOSS ADJUSTMENT EXPENSE		OTHER UNDERWRITING EXPENSES				MISCELLANEOUS INCOME AND EXPENSE			
	Paid Losses	Reserves	IBNR	ULAE	Incurred ALAE	Operating Service Fees	CPAI Charge-offs	Commission	Premium Deficiency Reserve	Investment Income	Charge-Offs	Misc Expenses	Other Misc Income
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	562,504	0	0	0	0	242,323	0	114,957	0	520	24,594	146,745	130,405
2012	556,308	39,771	0	0	0	193,070	0	94,998	0	358	4,478	60,619	194,472
2013	564,551	0	0	0	0	187,024	0	93,032	0	261	2,255	93,101	127,596
2014	730,438	0	0	0	0	222,364	0	106,047	0	730	3,080	155,225	133,794
2015	1,502,060	0	0	0	0	263,727	0	132,133	0	4,347	5,325	247,243	843,841
2016	1,462,305	0	0	0	0	325,294	0	162,710	0	16,943	5,824	153,470	209,149
2017	3,305,066	37,305	0	0	0	358,405	0	179,150	0	38,197	1,680	154,517	190,614
2018	1,097,132	34,615	0	0	0	322,876	0	161,389	0	88,810	1,098	144,072	182,058
2019	1,089,192	426,794	4,597	0	0	269,794	0	134,897	0	83,148	8,262	138,088	203,184
2020	645,623	-14,766	21,063	0	0	183,030	0	91,551	0	9,066	468	177,910	112,739
2021	464,938	593,340	170,625	0	0	231,189	0	115,594	0	220	1,809	151,079	214,531
2022	175,072	142,949	224,050	0	0	160,734	0	80,367	0	12,195	434	123,748	236,100
Total	12,155,188	1,260,009	420,335	0	0	2,959,827	0	1,466,824	0	254,795	59,307	1,745,819	2,778,482
Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	522,733	39,771	0	0	0	242,323	0	114,957	0	520	24,594	146,745	130,405
2012	596,078	0	0	0	0	193,070	0	94,998	0	358	4,478	60,619	194,472
2013	564,551	0	0	0	0	187,024	0	93,032	0	261	2,255	93,101	127,596
2014	730,638	0	0	0	0	222,364	0	106,047	0	730	3,080	155,225	133,794
2015	1,502,060	0	0	0	0	263,727	0	132,133	0	4,347	5,325	247,243	843,841
2016	1,462,305	18,343	0	0	0	325,294	0	162,710	0	16,943	5,824	153,470	209,149
2017	3,305,066	8,484	0	0	0	358,405	0	179,150	0	38,197	1,680	154,517	190,614
2018	1,091,632	31,299	12,392	0	0	322,876	0	161,389	0	88,810	1,098	144,072	182,058
2019	809,128	574,377	23,587	0	0	269,794	0	134,897	0	83,148	8,262	138,088	203,184
2020	294,887	143,034	128,410	0	0	182,861	0	91,467	0	9,066	468	177,910	112,739
2021	50,598	107,670	181,363	0	0	184,909	0	92,455	0	155	1,767	116,486	214,501
Total	10,929,676	922,978	345,752	0	0	2,752,645	0	1,363,234	0	242,535	58,831	1,587,477	2,542,351
Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	39,771	-39,771	0	0	0	0	0	0	0	0	0	0	0
2012	-39,771	39,771	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	-200	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	-18,343	0	0	0	0	0	0	0	0	0	0	0
2017	0	28,821	0	0	0	0	0	0	0	0	0	0	0
2018	5,500	3,316	-12,392	0	0	0	0	0	0	0	0	0	0
2019	280,065	-147,583	-18,991	0	0	0	0	0	0	0	0	0	0
2020	350,736	-157,800	-107,347	0	0	169	0	84	0	0	0	0	0
2021	414,339	485,670	-10,738	0	0	46,279	0	23,140	0	65	42	34,593	30
2022	175,072	142,949	224,050	0	0	160,734	0	80,367	0	12,195	434	123,748	236,100
Total	1,225,512	337,030	74,583	0	0	207,182	0	103,591	0	12,260	476	158,342	236,130

The Supplemental Fee, if any, is included with Administration Fees. See User's Guide for further information, and an explanation, for adjustments under Miscellaneous Income and Expense.

HAWAII PRIVATE PASSENGER Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

	A	B	C	D	E	F	G	H	I	J	K	L	M
			Losses			B-C-D-E		F-G	C/B	D/B	E/A	I+J+K	L+(G/A)
Policy Year	Premium Written	Premium Earned	Incurring Including IBNR	Claim Service Fees	Other Underwriting Expenses	Net Underwriting Results	Net Misc. Income & Expense	Net Result of Operations	Incurred Losses	LAE Incurred	Other U/W Exp	Net U/W Result	Net Operating Result
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	740,687	740,687	465,353	72,105	102,263	100,966	-29,808	130,773	62.83%	9.73%	13.81%	86.37%	82.35%
2012	572,040	572,040	305,787	56,227	80,357	129,669	-8,231	137,900	53.46%	9.83%	14.05%	77.34%	75.90%
2013	306,305	306,305	193,203	30,785	41,375	40,943	-2,998	43,941	63.08%	10.05%	13.51%	86.64%	85.66%
2014	207,772	207,772	87,137	20,485	32,385	67,765	7,165	60,600	41.94%	9.86%	15.59%	67.39%	70.84%
2015	209,421	209,421	112,996	22,468	27,038	46,918	-20,464	67,382	53.96%	10.73%	12.91%	77.60%	67.83%
2016	220,832	220,832	45,975	21,529	28,314	125,014	-2,592	127,605	20.82%	9.75%	12.82%	43.39%	42.22%
2017	211,305	211,305	81,626	23,362	25,970	80,348	-10,004	90,352	38.63%	11.06%	12.29%	61.98%	57.25%
2018	137,758	137,758	18,427	13,010	17,064	89,258	-8,639	97,897	13.38%	9.44%	12.39%	35.21%	28.94%
2019	139,019	139,019	103,273	13,567	16,936	5,243	-7,141	12,384	74.29%	9.76%	12.18%	96.23%	91.09%
2020	143,165	143,165	11,594	13,218	16,873	101,480	-16,163	117,643	8.10%	9.23%	11.79%	29.12%	17.83%
2021	135,568	131,419	96,550	12,284	15,767	6,819	-7,644	14,463	73.47%	9.35%	11.63%	94.45%	88.81%
2022	42,883	17,381	18,124	2,255	5,983	-8,981	-5,126	-3,854	104.27%	12.97%	13.95%	131.19%	119.24%
Total	3,066,755	3,037,105	1,540,044	301,295	410,325	785,441	-111,644	897,085	50.71%	9.92%	13.38%	74.01%	70.37%

Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	740,687	740,687	465,353	72,105	102,263	100,966	-29,808	130,773	62.83%	9.73%	13.81%	86.37%	82.35%
2012	572,040	572,040	305,787	56,227	80,357	129,669	-8,231	137,900	53.46%	9.83%	14.05%	77.34%	75.90%
2013	306,305	306,305	193,203	30,785	41,375	40,943	-2,998	43,941	63.08%	10.05%	13.51%	86.64%	85.66%
2014	207,772	207,772	87,137	20,485	32,385	67,765	7,165	60,600	41.94%	9.86%	15.59%	67.39%	70.84%
2015	209,421	209,421	112,996	22,468	27,038	46,918	-20,464	67,382	53.96%	10.73%	12.91%	77.60%	67.83%
2016	220,832	220,832	45,975	21,729	28,314	124,814	-2,592	127,405	20.82%	9.84%	12.82%	43.48%	42.31%
2017	211,305	211,305	81,626	23,362	25,970	80,348	-10,004	90,352	38.63%	11.06%	12.29%	61.98%	57.25%
2018	137,758	137,758	18,427	13,065	17,064	89,202	-8,639	97,841	13.38%	9.48%	12.39%	35.25%	28.98%
2019	139,019	139,019	105,183	13,567	16,936	3,334	-7,141	10,474	75.66%	9.76%	12.18%	97.60%	92.46%
2020	143,165	141,767	16,086	13,067	16,873	95,741	-16,163	111,904	11.35%	9.22%	11.79%	32.36%	21.07%
2021	96,726	41,277	10,879	3,901	11,260	15,237	-11,088	26,325	26.36%	9.45%	11.64%	47.45%	35.99%
Total	2,985,031	2,928,184	1,442,651	290,762	399,835	794,936	-109,962	904,897	49.27%	9.93%	13.39%	72.59%	68.91%

Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	-200	0	200	0	200	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	-55	0	55	0	55	0	0	0	0	55
2019	0	0	-1,909	0	0	1,909	0	1,909	0	0	0	0	1,909
2020	0	1,398	-4,492	150	0	5,739	0	5,739	0	0	0	0	5,739
2021	38,842	90,142	85,670	8,383	4,507	-8,418	3,444	-11,862	0	0	0	0	0
2022	42,883	17,381	18,124	2,255	5,983	-8,981	-5,126	-3,854	0	0	0	0	0
Total	81,725	108,922	97,393	10,534	10,490	-9,495	-1,682	-7,813					

Note: This is not a Member Participation Report. See User's Guide for Adjustments under Miscellaneous Income and Expense.

HAWAII PRIVATE PASSENGER Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

Policy Year	INCURRED LOSSES			LOSS ADJUSTMENT EXPENSE		OTHER UNDERWRITING EXPENSES				MISCELLANEOUS INCOME AND EXPENSE			
	Paid Losses	Reserves	IBNR	ULAE	Incurred ALAE	Operating Service Fees	CPAI Charge-offs	Commission	Premium Deficiency Reserve	Investment Income	Charge-Offs	Misc Expenses	Other Misc Income
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	465,353	0	0	0	0	74,069	0	28,194	0	152	6,674	-8,071	28,259
2012	305,787	0	0	0	0	57,204	0	23,153	0	102	8,236	19,254	35,619
2013	193,203	0	0	0	0	30,631	0	10,744	0	42	2,077	15,009	20,042
2014	87,137	0	0	0	0	20,777	0	11,608	0	60	1,130	14,451	8,356
2015	112,996	0	0	0	0	20,941	0	6,097	0	-37	3,127	23,112	46,739
2016	45,975	0	0	0	0	22,084	0	6,230	0	1,274	2,558	11,762	15,638
2017	81,626	0	0	0	0	21,131	0	4,839	0	2,409	745	9,286	17,626
2018	18,427	0	0	0	0	13,776	0	3,288	0	3,829	574	6,833	12,217
2019	103,068	0	205	0	0	13,902	0	3,035	0	4,565	551	7,667	10,794
2020	10,850	0	744	0	0	14,316	0	2,557	0	832	2,134	15,959	33,424
2021	24,965	58,850	12,734	0	0	13,557	0	2,210	0	15	465	9,317	17,411
2022	0	0	18,124	0	0	4,288	0	1,695	0	342	9	3,405	8,198
Total	1,449,387	58,850	31,807	0	0	306,676	0	103,649	0	13,584	28,280	127,983	254,324
Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	465,353	0	0	0	0	74,069	0	28,194	0	152	6,674	-8,071	28,259
2012	305,787	0	0	0	0	57,204	0	23,153	0	102	8,236	19,254	35,619
2013	193,203	0	0	0	0	30,631	0	10,744	0	42	2,077	15,009	20,042
2014	87,137	0	0	0	0	20,777	0	11,608	0	60	1,130	14,451	8,356
2015	112,996	0	0	0	0	20,941	0	6,097	0	-37	3,127	23,112	46,739
2016	45,975	0	0	0	0	22,084	0	6,230	0	1,274	2,558	11,762	15,638
2017	81,626	0	0	0	0	21,131	0	4,839	0	2,409	745	9,286	17,626
2018	18,427	0	0	0	0	13,776	0	3,288	0	3,829	574	6,833	12,217
2019	104,632	0	551	0	0	13,902	0	3,035	0	4,565	551	7,667	10,794
2020	10,850	0	5,236	0	0	14,316	0	2,557	0	832	2,134	15,959	33,424
2021	4,282	0	6,598	0	0	9,673	0	1,587	0	9	-227	6,557	17,409
Total	1,430,267	0	12,385	0	0	298,503	0	101,332	0	13,237	27,580	121,818	246,123
Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	-1,563	0	-346	0	0	0	0	0	0	0	0	0	0
2020	0	0	-4,492	0	0	0	0	0	0	0	0	0	0
2021	20,684	58,850	6,136	0	0	3,884	0	623	0	5	692	2,760	2
2022	0	0	18,124	0	0	4,288	0	1,695	0	342	9	3,405	8,198
Total	19,120	58,850	19,422	0	0	8,172	0	2,318	0	347	701	6,165	8,201

The Supplemental Fee, if any, is included with Administration Fees. See User's Guide for further information, and an explanation, for adjustments under Miscellaneous Income and Expense.

HAWAII CPAI Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

	A	B	C	D	E	F	G	H	I	J	K	L	M
			Losses Incurred Including IBNR	Claim Service Fees	Other Underwriting Expenses	B-C-D-E Net Underwriting Results	Net Misc. Income & Expense	F-G Net Result of Operations	C/B Incurred Losses	D/B LAE Incurred	E/A Other U/W Exp	I+J+K Net U/W Result	L+(G/A) Net Operating Result
Policy Year	Premium Written	Premium Earned											
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	3,583,694	3,583,694	1,067,329	358,369	3,798,716	-1,640,720	-111,710	-1,529,010	29.78%	10.00%	106.00%	145.78%	142.66%
2012	3,404,246	3,404,246	960,400	341,474	3,608,485	-1,506,113	16,755	-1,522,868	28.21%	10.03%	106.00%	144.24%	144.73%
2013	3,094,270	3,094,270	758,588	309,427	3,279,926	-1,253,672	-39,386	-1,214,286	24.52%	10.00%	106.00%	140.52%	139.25%
2014	2,951,398	2,951,398	926,597	295,140	3,128,672	-1,399,011	-8,948	-1,390,063	31.40%	10.00%	106.01%	147.41%	147.11%
2015	2,618,652	2,618,652	675,013	271,122	2,775,772	-1,103,254	-415,936	-687,318	25.78%	10.35%	106.00%	142.13%	126.25%
2016	2,388,777	2,388,777	816,813	238,878	2,532,104	-1,199,018	-57,247	-1,141,771	34.19%	10.00%	106.00%	150.19%	147.79%
2017	2,135,403	2,135,403	738,370	256,238	2,263,461	-1,122,666	-84,877	-1,037,789	34.58%	12.00%	106.00%	152.58%	148.61%
2018	1,994,793	1,994,793	514,267	199,479	2,114,869	-833,822	-122,807	-711,015	25.78%	10.00%	106.02%	141.80%	135.64%
2019	1,823,863	1,823,863	440,666	182,364	1,935,211	-734,378	-97,144	-637,234	24.16%	10.00%	106.11%	140.27%	134.94%
2020	1,405,834	1,405,834	390,825	140,600	1,488,883	-614,474	-63,721	-550,753	27.80%	10.00%	105.91%	143.71%	139.18%
2021	1,191,811	1,160,203	346,074	116,024	1,281,359	-583,254	-51,588	-531,666	29.83%	10.00%	107.51%	147.34%	143.01%
2022	884,659	347,453	132,329	39,931	1,266,960	-1,091,768	-50,898	-1,040,870	38.09%	11.49%	143.21%	192.79%	187.04%
Total	27,477,400	26,908,587	7,767,271	2,749,047	29,474,418	-13,082,149	-1,087,506	-11,994,643	28.87%	10.22%	107.27%	146.36%	142.40%
Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	3,583,694	3,583,694	1,067,329	358,369	3,798,716	-1,640,720	-111,710	-1,529,010	29.78%	10.00%	106.00%	145.78%	142.66%
2012	3,404,246	3,404,246	980,400	341,474	3,608,485	-1,526,113	16,755	-1,542,868	28.80%	10.03%	106.00%	144.83%	145.32%
2013	3,094,270	3,094,270	758,588	309,427	3,279,926	-1,253,672	-39,386	-1,214,286	24.52%	10.00%	106.00%	140.52%	139.25%
2014	2,951,398	2,951,398	926,597	295,140	3,128,672	-1,399,011	-8,948	-1,390,063	31.40%	10.00%	106.01%	147.41%	147.11%
2015	2,618,652	2,618,652	675,013	271,122	2,775,772	-1,103,254	-415,936	-687,318	25.78%	10.35%	106.00%	142.13%	126.25%
2016	2,388,777	2,388,777	819,168	238,878	2,532,104	-1,201,372	-57,247	-1,144,126	34.29%	10.00%	106.00%	150.29%	147.89%
2017	2,135,403	2,135,403	762,603	256,238	2,263,461	-1,146,898	-84,877	-1,062,022	35.71%	12.00%	106.00%	153.71%	149.74%
2018	1,994,793	1,994,793	524,208	199,475	2,114,869	-843,759	-122,807	-720,952	26.28%	10.00%	106.02%	142.30%	136.14%
2019	1,823,863	1,823,863	457,435	182,364	1,935,211	-751,148	-97,144	-654,004	25.08%	10.00%	106.11%	141.19%	135.86%
2020	1,406,181	1,366,775	463,068	136,713	1,496,933	-729,939	-63,721	-666,218	33.88%	10.00%	106.45%	150.33%	145.80%
2021	925,773	378,178	192,401	39,681	1,310,308	-1,164,213	-71,201	-1,093,012	50.88%	10.49%	141.54%	202.91%	195.22%
Total	26,327,051	25,740,050	7,626,809	2,628,881	28,244,457	-12,760,098	-1,056,221	-11,703,877	29.63%	10.21%	107.28%	147.12%	143.11%
Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	0	0	0	0	0	0	0	0					
2012	0	0	-20,000	0	0	20,000	0	20,000					
2013	0	0	0	0	0	0	0	0					
2014	0	0	0	0	0	0	0	0					
2015	0	0	0	0	0	0	0	0					
2016	0	0	-2,354	0	0	2,354	0	2,354					
2017	0	0	-24,233	0	0	24,233	0	24,233					
2018	0	0	-9,941	4	0	9,937	0	9,937					
2019	0	0	-16,770	0	0	16,770	0	16,770					
2020	-347	39,059	-72,243	3,887	-8,050	115,464	0	115,464					
2021	266,038	782,026	153,673	76,343	-28,949	580,958	19,613	561,346					
2022	884,659	347,453	132,329	39,931	1,266,960	-1,091,768	-50,898	-1,040,870					
Total	1,150,349	1,168,537	140,462	120,166	1,229,961	-322,052	-31,285	-290,767					

Note: This is not a Member Participation Report. See User's Guide for Adjustments under Miscellaneous Income and Expense.

HAWAII CPAI Financial Data as of 3rd Calendar Quarter 2022

ALL COMPANIES COMBINED

Policy Year	INCURRED LOSSES			LOSS ADJUSTMENT EXPENSE		OTHER UNDERWRITING EXPENSES				MISCELLANEOUS INCOME AND EXPENSE			
	Paid Losses	Reserves	IBNR	ULAE	Incurred ALAE	Operating Service Fees	CPAI Charge-offs	Commission	Premium Deficiency Reserve	Investment Income	Charge-Offs	Misc Expenses	Other Misc Income
Experience by Active Policy Year Through 3rd Calendar Quarter 2022													
2011	1,067,329	0	0	0	0	215,022	3,583,694	0	0	576	685	56,202	168,021
2012	960,400	0	0	0	0	204,255	3,404,230	0	0	531	2,346	117,349	102,409
2013	758,588	0	0	0	0	185,656	3,094,270	0	0	432	1,728	154,345	195,026
2014	926,597	0	0	0	0	177,084	2,951,588	0	0	833	271	199,160	207,546
2015	675,013	0	0	0	0	157,119	2,618,652	0	0	1,857	96	259,768	673,943
2016	816,813	0	0	0	0	143,327	2,388,777	0	0	12,671	179	117,092	161,847
2017	738,370	0	0	0	0	128,124	2,135,337	0	0	23,821	121	92,907	154,084
2018	483,195	31,072	0	0	0	119,688	1,995,181	0	0	57,879	71	94,719	159,719
2019	441,027	-2,053	1,692	0	0	109,432	1,825,780	0	0	57,572	46	96,720	136,338
2020	374,218	11,561	5,046	0	0	84,350	1,404,533	0	0	7,618	101	148,488	204,692
2021	212,907	88,739	44,428	0	0	71,509	1,191,811	0	18,040	118	121	81,209	132,800
2022	25,092	46,232	61,005	0	0	75,680	884,659	0	306,621	7,226	25	67,976	111,673
Total	7,479,549	175,552	112,171	0	0	1,671,245	27,478,512	0	324,661	171,134	5,790	1,485,934	2,408,097
Experience by Active Policy Year Through 3rd Calendar Quarter 2021													
2011	1,047,329	20,000	0	0	0	215,022	3,583,694	0	0	576	685	56,202	168,021
2012	980,400	0	0	0	0	204,255	3,404,230	0	0	531	2,346	117,349	102,409
2013	758,588	0	0	0	0	185,656	3,094,270	0	0	432	1,728	154,345	195,026
2014	926,597	0	0	0	0	177,084	2,951,588	0	0	833	271	199,160	207,546
2015	675,013	0	0	0	0	157,119	2,618,652	0	0	1,857	96	259,768	673,943
2016	811,413	7,754	0	0	0	143,327	2,388,777	0	0	12,671	179	117,092	161,847
2017	738,370	24,233	0	0	0	128,124	2,135,337	0	0	23,821	121	92,907	154,084
2018	443,195	79,419	1,595	0	0	119,688	1,995,181	0	0	57,879	71	94,719	159,719
2019	386,027	63,951	7,457	0	0	109,432	1,825,780	0	0	57,572	46	96,720	136,338
2020	274,927	126,837	61,304	0	0	84,371	1,388,887	0	23,675	7,618	101	148,488	204,692
2021	53,797	58,041	80,563	0	0	55,546	925,773	0	328,989	81	114	61,548	132,782
Total	7,095,656	380,235	150,918	0	0	1,579,623	26,312,170	0	352,664	163,871	5,759	1,398,298	2,296,407
Change in Experience by Active Policy Years from 3rd Calendar Quarter 2021 Through 3rd Calendar Quarter 2022													
2011	20,000	-20,000	0	0	0	0	0	0	0	0	0	0	0
2012	-20,000	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	5,400	-7,754	0	0	0	0	0	0	0	0	0	0	0
2017	0	-24,233	0	0	0	0	0	0	0	0	0	0	0
2018	40,000	-48,347	-1,595	0	0	0	0	0	0	0	0	0	0
2019	55,000	-66,004	-5,765	0	0	0	0	0	0	0	0	0	0
2020	99,291	-115,276	-56,258	0	0	-21	15,646	0	-23,675	0	0	0	0
2021	159,110	30,698	-36,135	0	0	15,962	266,038	0	-310,949	37	6	19,661	17
2022	25,092	46,232	61,005	0	0	75,680	884,659	0	306,621	7,226	25	67,976	111,673
Total	383,893	-204,684	-38,747	0	0	91,621	1,166,342	0	-28,003	7,263	31	87,637	111,690

The Supplemental Fee, if any, is included with Administration Fees. See User's Guide for further information, and an explanation, for adjustments under Miscellaneous Income and Expense.



“Serving the Insurance Industry”

November 9, 2022

Jerry Bump, Insurance Program Specialist
State of Hawaii Insurance Division
335 Merchant Street, Suite 213
Honolulu, HI 96813-2921

Dear Jerry:

There are five servicing carriers reporting on a monthly basis.

Attached for your information are the following Hawaii Joint Underwriting Plan reports:

1. Consolidated Statistical Summary Control
 - a. For the month of August 2022
 - b. Inception to date through August 2022
 - c. Inception from fiscal year 2010 to date*

* Policy years prior to 2010 are closed and no longer appear as part of the results in the HJUP Members' Participation Reports.

2. HJUP written premiums by servicing carrier separately for Private Passenger High Risk, Certified Public Assistance Insureds (CPAI), Private Passenger Other, and Other Than Private Passenger Nonfleet
 - a. For the month of August 2022
3. Earned to Incurred Loss Ratios by Servicing Carrier
 - a. Fiscal year to date through August 2022
 - b. Inception to date through August 2022
4. In Force Count Report as of August 2022

Please do not hesitate to call me if you have any questions.

Sincerely,

Karen Leite, AIS
Sr. Insurance Coordinator
Quota and Participation Services

Pc: T. Assad
D. Amaral
A. Hanson

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	103,848.90	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	130,212.00	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	27,548.00	
004 PREMIUMS WRITTEN TOTAL		261,608.90
005 COMMISSIONS WRITTEN		8,355.45
006 PREMIUM CHARGEOFFS O/T CPAI	568.50-	
007 PREMIUM CHARGEOFFS CPAI	103,848.90	
008 PREMIUM CHARGEOFFS TOTAL		103,280.40
019 LOSSES PAID (GROSS OF SALVAGE\SUBROGATION)		121,802.98
010 OTHER LOSS RECOVERIES		
011 SALVAGE & SUBROGATION		13,709.19
012 NET LOSSES PAID		108,093.79
013 ALLOCATED CLAIM EXPENSE (CURRENT)		3,194.79
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	1,524,392.28	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	211,875.94	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		1,736,268.22
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,508,072.54	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	203,016.24	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,711,088.78
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	250,380.64	
032 PREMIUMS EARNED PHYSICAL DAMAGE	36,407.70	
033 PREMIUMS EARNED TOTAL		286,788.34
034 LOSS RESERVES AS OF PRIOR PERIOD END	1,429,143.61	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,549,608.91	
036 NET CHANGE IN LOSS RESERVES		120,465.30
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	582,316.00	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	582,316.00	
039 NET CHANGE IN IBNR RESERVES		
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		228,559.09

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

ACCOUNTING MONTH : 08 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 2

DATE : 10/20/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		22,006.93
054 CLAIM SERVICE FEES LIABILITY	LINE 031 X 12.000%	27,615.07
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	LINE 032 X 10.000%	3,613.01
056 TOTAL GROSS CLAIM SERVICE FEES		31,228.08
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		3,194.79
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		
060 TOTAL NET CLAIM SERVICE FEES		28,033.29
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		50,040.22
064 RESERVED FOR FUTURE USE		
065 TOTAL FEE ADJUSTMENT		
066 TOTAL FEE DUE SERVICING CARRIER		50,040.22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	1,072,848.68	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	1,666,252.68	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	395,613.56	
004 PREMIUMS WRITTEN TOTAL		3,134,714.92
005 COMMISSIONS WRITTEN		101,468.36
006 PREMIUM CHARGEOFFS O/T CPAI	736.40	
007 PREMIUM CHARGEOFFS CPAI	1,088,841.68	
008 PREMIUM CHARGEOFFS TOTAL		1,089,578.08
019 LOSSES PAID (GROSS OF SALVAGE\SUBROGATION)		1,646,140.76
010 OTHER LOSS RECOVERIES		
011 SALVAGE & SUBROGATION		82,702.25
012 NET LOSSES PAID		1,563,438.51
013 ALLOCATED CLAIM EXPENSE (CURRENT)		41,531.82
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	1,641,041.71	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	239,725.52	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		1,880,767.23
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,508,072.54	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	203,016.24	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,711,088.78
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	2,872,070.53	
032 PREMIUMS EARNED PHYSICAL DAMAGE	432,322.84	
033 PREMIUMS EARNED TOTAL		3,304,393.37
034 LOSS RESERVES AS OF PRIOR PERIOD END	1,380,464.14	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,549,608.91	
036 NET CHANGE IN LOSS RESERVES		169,144.77
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	537,197.00	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	582,316.00	
039 NET CHANGE IN IBNR RESERVES		45,119.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		1,777,702.28

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

FISCAL YEAR TO DATE THROUGH 08 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 4

DATE : 10/20/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		270,557.56
054 CLAIM SERVICE FEES LIABILITY	339,894.83	
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	43,204.53	
056 TOTAL GROSS CLAIM SERVICE FEES		383,099.36
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		41,531.82
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		
060 TOTAL NET CLAIM SERVICE FEES		341,567.54
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		612,125.10
064 RESERVED FOR FUTURE USE		
065 TOTAL FEE ADJUSTMENT		107,226.18-
066 TOTAL FEE DUE SERVICING CARRIER		504,898.92

INCEPTION TO DATE THROUGH 08 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 5

DATE : 10/20/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	275,109,724.07	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	306,862,682.32	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	51,472,693.56	
004 PREMIUMS WRITTEN TOTAL		633,445,099.95
005 COMMISSIONS WRITTEN		19,589,216.37
006 PREMIUM CHARGEOFFS O/T CPAI	384,635.67	
007 PREMIUM CHARGEOFFS CPAI	71,922,545.49	
008 PREMIUM CHARGEOFFS TOTAL		72,307,181.16
012 NET LOSSES PAID		283,407,990.32
013 ALLOCATED CLAIM EXPENSE (CURRENT)		17,601,337.11
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)		
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)		
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,508,072.54	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	203,016.24	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,711,088.78
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	580,464,333.85	
032 PREMIUMS EARNED PHYSICAL DAMAGE	51,269,677.32	
033 PREMIUMS EARNED TOTAL		631,734,011.17
034 LOSS RESERVES AS OF PRIOR PERIOD END		
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,549,608.91	
036 NET CHANGE IN LOSS RESERVES		1,549,608.91
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END		
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	582,316.00	
039 NET CHANGE IN IBNR RESERVES		582,316.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		285,539,915.23

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

INCEPTION TO DATE THROUGH 08 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 6

DATE : 10/20/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		52,340,121.63
054 CLAIM SERVICE FEES LIABILITY	69,650,966.05	
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	5,126,941.30	
056 TOTAL GROSS CLAIM SERVICE FEES		74,777,907.35
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		17,601,337.11
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		136,984.13
060 TOTAL NET CLAIM SERVICE FEES		57,313,554.37
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		109,653,676.00
064 COLLECTION FEES (NOT OFFSET BY RECOVERIES)		35,691.17
065 TOTAL FEE ADJUSTMENT		8,035,367.76-
066 TOTAL FEE DUE SERVICING CARRIER		101,653,999.41

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	28,356,791.52	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	27,286,802.29	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	5,910,736.89	
004 PREMIUMS WRITTEN TOTAL		61,554,330.70
005 COMMISSIONS WRITTEN		1,595,287.31
006 PREMIUM CHARGEOFFS O/T CPAI	89,708.79	
007 PREMIUM CHARGEOFFS CPAI	28,354,978.52	
008 PREMIUM CHARGEOFFS TOTAL		28,444,687.31
012 NET LOSSES PAID		25,794,003.67
013 ALLOCATED CLAIM EXPENSE (CURRENT)		974,624.13
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	3,928,697.63	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	392,373.41	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		4,321,071.04
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,508,072.54	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	203,016.24	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,711,088.78
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	58,064,218.90	
032 PREMIUMS EARNED PHYSICAL DAMAGE	6,100,094.06	
033 PREMIUMS EARNED TOTAL		64,164,312.96
034 LOSS RESERVES AS OF PRIOR PERIOD END	2,595,530.66	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,549,608.91	
036 NET CHANGE IN LOSS RESERVES		1,045,921.75-
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	1,881,412.92	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	582,316.00	
039 NET CHANGE IN IBNR RESERVES		1,299,096.92-
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		23,448,985.00

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

ACCOUNTING DATES 10 2010 - 08 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 2

DATE : 10/20/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		5,021,161.63
054 CLAIM SERVICE FEES LIABILITY	6,962,952.63	
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	609,981.93	
056 TOTAL GROSS CLAIM SERVICE FEES		7,572,934.56
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		974,624.13
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		
060 TOTAL NET CLAIM SERVICE FEES		6,598,310.43
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		11,619,472.06
064 COLLECTION FEES (NOT OFFSET BY RECOVERIES)		
065 TOTAL FEE ADJUSTMENT		1,545,188.15-
066 TOTAL FEE DUE SERVICING CARRIER		10,074,283.91

AIPSO
 ACCOUNTING MONTH : 08 2022

HAWAII JOINT UNDERWRITING PLAN
 WRITTEN PREMIUMS
 PRIVATE PASSENGER HIGH RISK

REPORT: JUF-11 F
 DATE: 10/20/22

CARRIER	WRITTEN PREMIUMS			PERCENT OF TOTAL		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
O1520 SC FIRST INS CO OF HAWAII LTD	7.00-	48.00	41.00	0.12-	1.54	0.45
O1637 SC NATIONAL SPECIALTY INS CO	5,972.00	3,070.00	9,042.00	100.12	98.46	99.55
TOTAL	5,965.00	3,118.00	9,083.00	100.00	100.00	100.00

CERTIFIED PUBLIC ASSISTANCE INSURED

CARRIER	WRITTEN PREMIUMS			PERCENT OF TOTAL		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
O1520 SC FIRST INS CO OF HAWAII LTD	620.10-	0.00	620.10-	0.60-	0.00	0.60-
O1637 SC NATIONAL SPECIALTY INS CO	103,494.00	0.00	103,494.00	99.66	0.00	99.66
O7338 SC STATE FARM MUT AUTO INS CO	975.00	0.00	975.00	0.94	0.00	0.94
TOTAL	103,848.90	0.00	103,848.90	100.00	0.00	100.00

OTHER THAN PRIVATE PASSENGER NON-FLEET

CARRIER	WRITTEN PREMIUMS			PERCENT OF TOTAL		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
O1517 SC ISLAND INS CO LTD	112,333.00	24,254.00	136,587.00	90.41	99.28	91.87
O1520 SC FIRST INS CO OF HAWAII LTD	11,914.00	176.00	12,090.00	9.59	0.72	8.13
TOTAL	124,247.00	24,430.00	148,677.00	100.00	100.00	100.00
GRAND TOTALS	234,060.90	27,548.00	261,608.90			

AIPSO
 FISCAL YEAR TO DATE THROUGH 08 2022

HAWAII JOINT UNDERWRITING PLAN
 WRITTEN PREMIUMS

REPORT: JUF-11 F
 DATE: 10/20/22

PRIVATE PASSENGER HIGH RISK

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	4,378.00	2,445.00	6,823.00	13.36	10.80	12.32
01520 SC FIRST INS CO OF HAWAII LTD	12,318.33	11,007.00	23,325.33	37.61	48.61	42.10
01637 SC NATIONAL SPECIALTY INS CO	5,972.00	3,070.00	9,042.00	18.23	13.56	16.32
07338 SC STATE FARM MUT AUTO INS CO	10,090.00	6,121.00	16,211.00	30.80	27.03	29.26
TOTALS	32,758.33	22,643.00	55,401.33	100.00	100.00	100.00

CERTIFIED PUBLIC ASSISTANCE INSURED

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	248,225.00	0.00	248,225.00	23.14	0.00	23.14
01520 SC FIRST INS CO OF HAWAII LTD	474,524.68	0.00	474,524.68	44.23	0.00	44.23
01637 SC NATIONAL SPECIALTY INS CO	293,619.00	0.00	293,619.00	27.37	0.00	27.37
07338 SC STATE FARM MUT AUTO INS CO	56,480.00	0.00	56,480.00	5.26	0.00	5.26
TOTALS	1,072,848.68	0.00	1,072,848.68	100.00	0.00	100.00

PRIVATE PASSENGER OTHER

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	0.00	403.00	403.00	0.00	3.63	1.77
01520 SC FIRST INS CO OF HAWAII LTD	2,207.22	1,658.00	3,865.22	18.94	14.94	16.99
07338 SC STATE FARM MUT AUTO INS CO	9,444.18	9,040.00	18,484.18	81.06	81.43	81.24
TOTALS	11,651.40	11,101.00	22,752.40	100.00	100.00	100.00

AIPSO
FISCAL YEAR-TO-DATE THROUGH 08 2022

HAWAII JOINT UNDERWRITING PLAN
EARNED/INCURRED LOSS RATIOS

REPORT: JUF-79 F
DATE: 10/20/22

	EARNED PREMIUM	PAID LOSSES	CHANGE IN LOSS RESERVES	CHANGE IN IBNR LOSS RESERVES	INCURRED LOSSES	LOSS RATIO
01517 SC ISLAND INS CO LTD	1,211,138.37	636,680.43	185,782.03	17,274.00	839,736.46	69.33
01520 SC FIRST INS CO OF HAWAII	1,922,904.68	897,531.30	24,871.74	12,850.00	935,253.04	48.64
01599 SC FARMERS INS HAWAII	0.00	0.00	20,000.00-	0.00	20,000.00-	0.00
01637 SC NATIONAL SPECIALTY INS	39,890.97	0.00	1.00	412.00	413.00	1.04
07338 SC STATE FARM MUT AUTO INS	130,459.35	29,226.78	21,510.00-	14,583.00	22,299.78	17.09
TOTAL	3,304,393.37	1,563,438.51	169,144.77	45,119.00	1,777,702.28	53.80

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUF-79 F

INCEPTION-TO-DATE THROUGH 08 2022

EARNED/INCURRED LOSS RATIOS

DATE: 10/20/22

	EARNED PREMIUM	PAID LOSSES	CHANGE IN LOSS RESERVES	CHANGE IN IBNR LOSS RESERVES	INCURRED LOSSES	LOSS RATIO
01503 SC FIREMANS FUND INS CO	24,915,844.33	12,561,863.05	0.00	0.00	12,561,863.05	50.42
01508 SC LIBERTY MUT INS CO	18,678,564.00	8,262,192.88	0.00	0.00	8,262,192.88	44.23
01517 SC ISLAND INS CO LTD	143,786,291.69	70,381,511.85	496,138.77	217,329.00	71,094,979.62	49.44
01518 SC PACIFIC INS CO	30,133,742.00	17,943,738.01	0.00	0.00	17,943,738.01	59.55
01519 SC HAWAIIAN INS & GUARANTY	24,168,882.08	14,034,951.47	0.00	0.00	14,034,951.47	58.07
01520 SC FIRST INS CO OF HAWAII	185,052,775.38	73,367,455.59	1,047,479.14	326,702.00	74,741,636.73	40.39
01599 SC FARMERS INS HAWAII	32,738,074.75	9,094,303.47	0.00	0.00	9,094,303.47	27.78
01637 SC NATIONAL SPECIALTY INS	39,890.97	0.00	1.00	412.00	413.00	1.04
07336 SC ALLSTATE INS CO	97,685,506.58	51,208,263.49	0.00	0.00	51,208,263.49	52.42
07338 SC STATE FARM MUT AUTO INS	74,534,439.39	26,553,710.51	5,990.00	37,873.00	26,597,573.51	35.68
TOTAL	631,734,011.17	283,407,990.32	1,549,608.91	582,316.00	285,539,915.23	45.20

A I P S O

ACCOUNTING MONTH: 08 2022

HAWAII JOINT UNDERWRITING PLAN
MONTHLY STATISTICAL DETAIL
ALL COMPANIES COMBINED

REPORT: JUD-81
PAGE: 1
DATE: 10/20/22

REPORT OF IN-FORCE VEHICLE COUNT

	PRIVATE PASSENGER VEHICLES COUNT	COMMERCIAL VEHICLES COUNT	COMMERCIAL POLICIES COUNT*
CERTIFIED PUBLIC ASSISTANCE INSURED			
PRIOR MONTH-END NET IN-FORCE COUNT	1,069		193
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	115		193-
CURRENT MONTH-END NET IN-FORCE COUNT	1,184		
PRIVATE PASSENGER HIGH RISK			
PRIOR MONTH-END NET IN-FORCE COUNT	16		
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	1-		
CURRENT MONTH-END NET IN-FORCE COUNT	15		
PRIVATE PASSENGER OTHER AND COMMERCIAL			
PRIOR MONTH-END NET IN-FORCE COUNT	14	827	3
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	1-	15-	
CURRENT MONTH-END NET IN-FORCE COUNT	13	812	3

* RISKS RATED ON OTHER THAN THE PER CAR BASIS



“Serving the Insurance Industry”

Jerry Bump, Insurance Program Specialist
Hawaii Joint Underwriting Plan
State of Hawaii Insurance Division
335 Merchant Street, Suite 213
Honolulu, HI 96813-2921

December 14, 2022

Dear Jerry:

Attached for your information are the following Hawaii Joint Underwriting Plan reports:

1. Consolidated Statistical Summary Control
 - a. For the month of September 2022
 - b. Quarter ending September 2022
 - c. Fiscal year to date through September 2022
 - d. Inception to date through September 2022
 - e. Inception from fiscal year 2010 to date*

* Policy years prior to 2010 are closed and no longer appear as part of the results in the HJUP Members' Participation Reports.
2. HJUP written premiums by servicing carrier separately for Private Passenger High Risk, Certified Public Assistance Insureds (CPAI), Private Passenger Other, and Other Than Private Passenger Nonfleet
 - a. For the month of September 2022
 - b. Fiscal year to date through September 2022
3. Earned to Incurred Loss Ratios by Servicing Carrier
 - a. Fiscal year to date through September 2022
 - b. Inception to date through September 2022
4. In Force Count Report as of September 2022

The enclosed statistical summary control reports reflect data reported by **all** servicing carriers. The consolidated statistical summary control report for the calendar quarter ending is enclosed to provide you with summary detail information for the three month period. This report is routinely provided as part of the report package for the months of March, June, September, and December.

Please do not hesitate to call me if you have any questions.

Sincerely,

Karen Leite, AIS, AINS
Sr. Insurance Coordinator
Quota and Participation

Attach.

Pc: T. Assad
D. Amaral
A. Hanson

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	77,500.80	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	69,125.70	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	22,552.19	
004 PREMIUMS WRITTEN TOTAL		169,178.69
005 COMMISSIONS WRITTEN		4,440.32
006 PREMIUM CHARGEOFFS O/T CPAI	377.00	
007 PREMIUM CHARGEOFFS CPAI	77,500.80	
008 PREMIUM CHARGEOFFS TOTAL		77,877.80
019 LOSSES PAID (GROSS OF SALVAGE\SUBROGATION)		76,987.08
010 OTHER LOSS RECOVERIES		
011 SALVAGE & SUBROGATION		11,900.42
012 NET LOSSES PAID		65,086.66
013 ALLOCATED CLAIM EXPENSE (CURRENT)		1,415.10
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	1,508,072.54	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	203,016.24	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		1,711,088.78
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,408,876.67	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	189,840.89	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,598,717.56
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	245,822.37	
032 PREMIUMS EARNED PHYSICAL DAMAGE	35,727.54	
033 PREMIUMS EARNED TOTAL		281,549.91
034 LOSS RESERVES AS OF PRIOR PERIOD END	1,549,608.91	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,580,798.74	
036 NET CHANGE IN LOSS RESERVES		31,189.83
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	582,316.00	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	600,701.00	
039 NET CHANGE IN IBNR RESERVES		18,385.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		114,661.49

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

ACCOUNTING MONTH : 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 2

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		13,817.84
054 CLAIM SERVICE FEES LIABILITY	LINE 031 X 12.000%	34,811.44
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	LINE 032 X 10.000%	3,600.52
056 TOTAL GROSS CLAIM SERVICE FEES		38,411.96
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		1,415.10
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		
060 TOTAL NET CLAIM SERVICE FEES		36,996.86
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		50,814.70
064 RESERVED FOR FUTURE USE		
065 TOTAL FEE ADJUSTMENT		22,600.41
066 TOTAL FEE DUE SERVICING CARRIER		73,415.11

QUARTER ENDING : 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 3

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	276,793.42	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	371,776.88	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	77,849.25	
004 PREMIUMS WRITTEN TOTAL		726,419.55
005 COMMISSIONS WRITTEN		22,814.90
006 PREMIUM CHARGEOFFS O/T CPAI	299.68	
007 PREMIUM CHARGEOFFS CPAI	276,793.42	
008 PREMIUM CHARGEOFFS TOTAL		277,093.10
019 LOSSES PAID (GROSS OF SALVAGE\SUBROGATION)		297,374.16
010 OTHER LOSS RECOVERIES		
011 SALVAGE & SUBROGATION		60,710.39
012 NET LOSSES PAID		236,663.77
013 ALLOCATED CLAIM EXPENSE (CURRENT)		7,906.28
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	1,512,758.02	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	221,787.29	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		1,734,545.31
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,408,876.67	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	189,840.89	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,598,717.56
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	752,451.65	
032 PREMIUMS EARNED PHYSICAL DAMAGE	109,795.65	
033 PREMIUMS EARNED TOTAL		862,247.30
034 LOSS RESERVES AS OF PRIOR PERIOD END	1,283,229.21	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,580,798.74	
036 NET CHANGE IN LOSS RESERVES		297,569.53
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	582,316.00	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	600,701.00	
039 NET CHANGE IN IBNR RESERVES		18,385.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		552,618.30

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

QUARTER ENDING : 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 4

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
O53 TOTAL OPERATING AND SERVICES FEES		61,570.22
O54 CLAIM SERVICE FEES LIABILITY	LINE 031 X 12.000%	91,392.82
O55 CLAIM SERVICE FEES PHYSICAL DAMAGE	LINE 032 X 10.000%	10,979.57
O56 TOTAL GROSS CLAIM SERVICE FEES		102,372.39
O57 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		7,906.28
O58 ADDITIONAL CLAIM EXPENSE		
O59 LEGAL DEFENSE EXPENSES		
O60 TOTAL NET CLAIM SERVICE FEES		94,466.11
O63 TOTAL NET OPERATING AND CLAIM SERVICE FEES		156,036.33
O64 RESERVED FOR FUTURE USE		
O65 TOTAL FEE ADJUSTMENT		22,600.41
O66 TOTAL FEE DUE SERVICING CARRIER		178,636.74

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	1,150,349.48	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	1,735,378.38	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	418,165.75	
004 PREMIUMS WRITTEN TOTAL		3,303,893.61
005 COMMISSIONS WRITTEN		105,908.68
006 PREMIUM CHARGEOFFS O/T CPAI	1,113.40	
007 PREMIUM CHARGEOFFS CPAI	1,166,342.48	
008 PREMIUM CHARGEOFFS TOTAL		1,167,455.88
019 LOSSES PAID (GROSS OF SALVAGE\SUBROGATION)		1,723,127.84
010 OTHER LOSS RECOVERIES		
011 SALVAGE & SUBROGATION		94,602.67
012 NET LOSSES PAID		1,628,525.17
013 ALLOCATED CLAIM EXPENSE (CURRENT)		42,946.92
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	1,641,041.71	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	239,725.52	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		1,880,767.23
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,408,876.67	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	189,840.89	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,598,717.56
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	3,117,892.90	
032 PREMIUMS EARNED PHYSICAL DAMAGE	468,050.38	
033 PREMIUMS EARNED TOTAL		3,585,943.28
034 LOSS RESERVES AS OF PRIOR PERIOD END	1,380,464.14	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,580,798.74	
036 NET CHANGE IN LOSS RESERVES		200,334.60
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	537,197.00	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	600,701.00	
039 NET CHANGE IN IBNR RESERVES		63,504.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		1,892,363.77

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

FISCAL YEAR TO DATE THROUGH 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 6

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
O53 TOTAL OPERATING AND SERVICES FEES		284,375.40
O54 CLAIM SERVICE FEES LIABILITY	374,706.27	
O55 CLAIM SERVICE FEES PHYSICAL DAMAGE	46,805.05	
O56 TOTAL GROSS CLAIM SERVICE FEES		421,511.32
O57 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		42,946.92
O58 ADDITIONAL CLAIM EXPENSE		
O59 LEGAL DEFENSE EXPENSES		
O60 TOTAL NET CLAIM SERVICE FEES		378,564.40
O63 TOTAL NET OPERATING AND CLAIM SERVICE FEES		662,939.80
O64 RESERVED FOR FUTURE USE		
O65 TOTAL FEE ADJUSTMENT		84,625.77-
O66 TOTAL FEE DUE SERVICING CARRIER		578,314.03

INCEPTION TO DATE THROUGH 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 7

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	275,187,224.87	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	306,931,808.02	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	51,495,245.75	
004 PREMIUMS WRITTEN TOTAL		633,614,278.64
005 COMMISSIONS WRITTEN		19,593,656.69
006 PREMIUM CHARGEOFFS O/T CPAI	385,012.67	
007 PREMIUM CHARGEOFFS CPAI	72,000,046.29	
008 PREMIUM CHARGEOFFS TOTAL		72,385,058.96
012 NET LOSSES PAID		283,473,076.98
013 ALLOCATED CLAIM EXPENSE (CURRENT)		17,602,752.21
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)		
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)		
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,408,876.67	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	189,840.89	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,598,717.56
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	580,710,156.22	
032 PREMIUMS EARNED PHYSICAL DAMAGE	51,305,404.86	
033 PREMIUMS EARNED TOTAL		632,015,561.08
034 LOSS RESERVES AS OF PRIOR PERIOD END		
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,580,798.74	
036 NET CHANGE IN LOSS RESERVES		1,580,798.74
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END		
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	600,701.00	
039 NET CHANGE IN IBNR RESERVES		600,701.00
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		285,654,576.72

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

INCEPTION TO DATE THROUGH 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 8

DATE : 12/06/22

ALL COMPANIES COMBINED

SUMMARY DETAIL

SUMMARY TOTALS

053 TOTAL OPERATING AND SERVICES FEES		52,353,939.47
054 CLAIM SERVICE FEES LIABILITY	69,685,777.49	
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	5,130,541.82	
056 TOTAL GROSS CLAIM SERVICE FEES		74,816,319.31
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		17,602,752.21
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		136,984.13
060 TOTAL NET CLAIM SERVICE FEES		57,350,551.23
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		109,704,490.70
064 COLLECTION FEES (NOT OFFSET BY RECOVERIES)		35,691.17
065 TOTAL FEE ADJUSTMENT		8,012,767.35-
066 TOTAL FEE DUE SERVICING CARRIER		101,727,414.52

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
001 PREMIUMS WRITTEN CPAI LIABILITY	28,434,292.32	
002 PREMIUMS WRITTEN O/T CPAI LIABILITY	27,355,927.99	
003 PREMIUMS WRITTEN PHYSICAL DAMAGE	5,933,289.08	
004 PREMIUMS WRITTEN TOTAL		61,723,509.39
005 COMMISSIONS WRITTEN		1,599,727.63
006 PREMIUM CHARGEOFFS O/T CPAI	90,085.79	
007 PREMIUM CHARGEOFFS CPAI	28,432,479.32	
008 PREMIUM CHARGEOFFS TOTAL		28,522,565.11
012 NET LOSSES PAID		25,859,090.33
013 ALLOCATED CLAIM EXPENSE (CURRENT)		976,039.23
015 PREMIUMS UNEARNED LIABILITY (PREVIOUS)	3,928,697.63	
016 PREMIUMS UNEARNED PHYSICAL DAMAGE (PREVIOUS)	392,373.41	
017 PREMIUMS UNEARNED TOTAL (PREVIOUS)		4,321,071.04
018 PREMIUMS UNEARNED LIABILITY (CURRENT)	1,408,876.67	
019 PREMIUMS UNEARNED PHYSICAL DAMAGE (CURRENT)	189,840.89	
020 PREMIUMS UNEARNED TOTAL (CURRENT)		1,598,717.56
021 PREMIUMS EARNED BUT UNBILLED LIAB (PREVIOUS)		
022 PREMIUMS EARNED BUT UNBILLED PHYD (PREVIOUS)		
023 PREMIUMS EARNED BUT UNBILLED TOTAL (PREVIOUS)		
024 PREMIUMS EARNED BUT UNBILLED LIAB (CURRENT)		
025 PREMIUMS EARNED BUT UNBILLED PHYD (CURRENT)		
026 PREMIUMS EARNED BUT UNBILLED TOTAL (CURRENT)		
031 PREMIUMS EARNED LIABILITY	58,310,041.27	
032 PREMIUMS EARNED PHYSICAL DAMAGE	6,135,821.60	
033 PREMIUMS EARNED TOTAL		64,445,862.87
034 LOSS RESERVES AS OF PRIOR PERIOD END	2,595,530.66	
035 LOSS RESERVES AS OF CURRENT PERIOD END	1,580,798.74	
036 NET CHANGE IN LOSS RESERVES		1,014,731.92-
037 IBNR LOSS RESERVES AS OF PRIOR PERIOD END	1,881,412.92	
038 IBNR LOSS RESERVES AS OF CURRENT PERIOD END	600,701.00	
039 NET CHANGE IN IBNR RESERVES		1,280,711.92-
040 ANTIC SAL&SUB RECOV - CASE RESERVES (PRIOR)		
041 ANTIC SAL&SUB RECOV - IBNR RESERVES (PRIOR)		
042 ANTIC SAL&SUB RECOV - TOTAL (PRIOR)		
043 ANTIC SAL&SUB RECOV - CASE RESERVES (CURR)		
044 ANTIC SAL&SUB RECOV - IBNR RESERVES (CURR)		
045 ANTIC SAL&SUB RECOV - TOTAL (CURR)		
046 ANTIC SAL&SUB RECOV - CASE RESERVES (NET CHANGE)		
047 ANTIC SAL&SUB RECOV - IBNR RESERVES (NET CHANGE)		
048 ANTIC SAL&SUB RECOV - TOTAL (NET CHANGE)		
049 INCURRED LOSSES		23,563,646.49

AIPSO

HAWAII JOINT UNDERWRITING PLAN

REPORT: JUD-99 F

ACCOUNTING DATES 10 2010 - 09 2022

SERVICING CARRIER STATISTICAL SUMMARY CONTROL

PAGE : 2

DATE : 12/06/22

ALL COMPANIES COMBINED

	SUMMARY DETAIL	SUMMARY TOTALS
053 TOTAL OPERATING AND SERVICES FEES		5,034,979.47
054 CLAIM SERVICE FEES LIABILITY	6,997,764.07	
055 CLAIM SERVICE FEES PHYSICAL DAMAGE	613,582.45	
056 TOTAL GROSS CLAIM SERVICE FEES		7,611,346.52
057 LESS ALLOCATED CLAIM EXPENSE (LINE 13)		976,039.23
058 ADDITIONAL CLAIM EXPENSE		
059 LEGAL DEFENSE EXPENSES		
060 TOTAL NET CLAIM SERVICE FEES		6,635,307.29
063 TOTAL NET OPERATING AND CLAIM SERVICE FEES		11,670,286.76
064 COLLECTION FEES (NOT OFFSET BY RECOVERIES)		
065 TOTAL FEE ADJUSTMENT		1,522,587.74-
066 TOTAL FEE DUE SERVICING CARRIER		10,147,699.02

AIPSO
 ACCOUNTING MONTH : 09 2022

HAWAII JOINT UNDERWRITING PLAN
 WRITTEN PREMIUMS
 PRIVATE PASSENGER HIGH RISK

REPORT: JUF-11 F
 DATE: 12/06/22

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
07338 SC STATE FARM MUT AUTO INS CO	1,960.00	1,611.00	3,571.00	100.00	100.00	100.00
TOTAL	1,960.00	1,611.00	3,571.00	100.00	100.00	100.00

CERTIFIED PUBLIC ASSISTANCE INSURED

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01520 SC FIRST INS CO OF HAWAII LTD	499.20-	0.00	499.20-	0.64-	0.00	0.64-
01637 SC NATIONAL SPECIALTY INS CO	78,000.00	0.00	78,000.00	100.64	0.00	100.64
TOTAL	77,500.80	0.00	77,500.80	100.00	0.00	100.00

OTHER THAN PRIVATE PASSENGER NON-FLEET

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	91,293.00	25,407.00	116,700.00	135.92	121.32	132.45
01520 SC FIRST INS CO OF HAWAII LTD	23,732.30-	4,268.81-	28,001.11-	35.33-	20.38-	31.78-
07338 SC STATE FARM MUT AUTO INS CO	395.00-	197.00-	592.00-	0.59-	0.94-	0.67-
TOTAL	67,165.70	20,941.19	88,106.89	100.00	100.00	100.00
GRAND TOTALS	146,626.50	22,552.19	169,178.69			

AIPSO
 FISCAL YEAR TO DATE THROUGH 09 2022

HAWAII JOINT UNDERWRITING PLAN
 WRITTEN PREMIUMS
 PRIVATE PASSENGER HIGH RISK

REPORT: JUF-11 F
 DATE: 12/06/22

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	4,378.00	2,445.00	6,823.00	12.61	10.08	11.57
01520 SC FIRST INS CO OF HAWAII LTD	12,318.33	11,007.00	23,325.33	35.48	45.38	39.56
01637 SC NATIONAL SPECIALTY INS CO	5,972.00	3,070.00	9,042.00	17.20	12.66	15.33
07338 SC STATE FARM MUT AUTO INS CO	12,050.00	7,732.00	19,782.00	34.71	31.88	33.54
TOTALS	34,718.33	24,254.00	58,972.33	100.00	100.00	100.00

CERTIFIED PUBLIC ASSISTANCE INSURED

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	248,225.00	0.00	248,225.00	21.58	0.00	21.58
01520 SC FIRST INS CO OF HAWAII LTD	474,025.48	0.00	474,025.48	41.21	0.00	41.21
01637 SC NATIONAL SPECIALTY INS CO	371,619.00	0.00	371,619.00	32.30	0.00	32.30
07338 SC STATE FARM MUT AUTO INS CO	56,480.00	0.00	56,480.00	4.91	0.00	4.91
TOTALS	1,150,349.48	0.00	1,150,349.48	100.00	0.00	100.00

PRIVATE PASSENGER OTHER

##### CARRIER #####	##### WRITTEN PREMIUMS #####			#### PERCENT OF TOTAL ####		
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	0.00	403.00	403.00	0.00	3.63	1.77
01520 SC FIRST INS CO OF HAWAII LTD	2,207.22	1,658.00	3,865.22	18.94	14.94	16.99
07338 SC STATE FARM MUT AUTO INS CO	9,444.18	9,040.00	18,484.18	81.06	81.43	81.24
TOTALS	11,651.40	11,101.00	22,752.40	100.00	100.00	100.00

AIPSO
FISCAL YEAR TO DATE THROUGH 09 2022

HAWAII JOINT UNDERWRITING PLAN
WRITTEN PREMIUMS
OTHER THAN PRIVATE PASSENGER NON-FLEET

REPORT: JUF-11 F
DATE: 12/06/22

##### CARRIER #####	##### WRITTEN PREMIUMS #####	##### PERCENT OF TOTAL #####				
	LIABILITY	PHYSICAL DAMAGE	COMBINED	LIAB	PHYD	COMBINED
01517 SC ISLAND INS CO LTD	927,594.00	204,950.00	1,132,544.00	54.92	53.54	54.66
01520 SC FIRST INS CO OF HAWAII LTD	751,160.65	172,840.75	924,001.40	44.47	45.15	44.60
07338 SC STATE FARM MUT AUTO INS CO	10,254.00	5,020.00	15,274.00	0.61	1.31	0.74
TOTALS	1,689,008.65	382,810.75	2,071,819.40	100.00	100.00	100.00
GRAND TOTALS	2,885,727.86	418,165.75	3,303,893.61			

AIPSO
FISCAL YEAR-TO-DATE THROUGH 09 2022

HAWAII JOINT UNDERWRITING PLAN
EARNED/INCURRED LOSS RATIOS

REPORT: JUF-79 F
DATE: 12/06/22

	EARNED PREMIUM	PAID LOSSES	CHANGE IN LOSS RESERVES	CHANGE IN IBNR LOSS RESERVES	INCURRED LOSSES	LOSS RATIO
01517 SC ISLAND INS CO LTD	1,334,243.43	675,441.59	176,115.08	29,378.00	880,934.67	66.03
01520 SC FIRST INS CO OF HAWAII	2,044,084.61	923,856.80	39,468.52	15,866.00	979,191.32	47.90
01599 SC FARMERS INS HAWAII	0.00	0.00	20,000.00-	0.00	20,000.00-	0.00
01637 SC NATIONAL SPECIALTY INS	68,407.03	0.00	30,001.00	11,110.00	41,111.00	60.10
07338 SC STATE FARM MUT AUTO INS	139,208.21	29,226.78	25,250.00-	7,150.00	11,126.78	7.99
TOTAL	3,585,943.28	1,628,525.17	200,334.60	63,504.00	1,892,363.77	52.77

AIPSO
 INCEPTION-TO-DATE THROUGH 09 2022

HAWAII JOINT UNDERWRITING PLAN
 EARNED/INCURRED LOSS RATIOS

REPORT: JUF-79 F
 DATE: 12/06/22

	EARNED PREMIUM	PAID LOSSES	CHANGE IN LOSS RESERVES	CHANGE IN IBNR LOSS RESERVES	INCURRED LOSSES	LOSS RATIO
01503 SC FIREMANS FUND INS CO	24,915,844.33	12,561,863.05	0.00	0.00	12,561,863.05	50.42
01508 SC LIBERTY MUT INS CO	18,678,564.00	8,262,192.88	0.00	0.00	8,262,192.88	44.23
01517 SC ISLAND INS CO LTD	143,909,396.75	70,420,273.01	486,471.82	229,433.00	71,136,177.83	49.43
01518 SC PACIFIC INS CO	30,133,742.00	17,943,738.01	0.00	0.00	17,943,738.01	59.55
01519 SC HAWAIIAN INS & GUARANTY	24,168,882.08	14,034,951.47	0.00	0.00	14,034,951.47	58.07
01520 SC FIRST INS CO OF HAWAII	185,173,955.31	73,393,781.09	1,062,075.92	329,718.00	74,785,575.01	40.39
01599 SC FARMERS INS HAWAII	32,738,074.75	9,094,303.47	0.00	0.00	9,094,303.47	27.78
01637 SC NATIONAL SPECIALTY INS	68,407.03	0.00	30,001.00	11,110.00	41,111.00	60.10
07336 SC ALLSTATE INS CO	97,685,506.58	51,208,263.49	0.00	0.00	51,208,263.49	52.42
07338 SC STATE FARM MUT AUTO INS	74,543,188.25	26,553,710.51	2,250.00	30,440.00	26,586,400.51	35.67
TOTAL	632,015,561.08	283,473,076.98	1,580,798.74	600,701.00	285,654,576.72	45.20

A I P S O

ACCOUNTING MONTH: 09 2022

REPORT OF IN-FORCE VEHICLE COUNT

HAWAII JOINT UNDERWRITING PLAN

MONTHLY STATISTICAL DETAIL
ALL COMPANIES COMBINED

REPORT: JUD-81
PAGE: 1
DATE: 12/06/22

	PRIVATE PASSENGER VEHICLES COUNT	COMMERCIAL VEHICLES COUNT	COMMERCIAL POLICIES COUNT*
CERTIFIED PUBLIC ASSISTANCE INSURED			
PRIOR MONTH-END NET IN-FORCE COUNT	1,184		
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	10-		
CURRENT MONTH-END NET IN-FORCE COUNT	1,174		
PRIVATE PASSENGER HIGH RISK			
PRIOR MONTH-END NET IN-FORCE COUNT	15		
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	2-		
CURRENT MONTH-END NET IN-FORCE COUNT	13		
PRIVATE PASSENGER OTHER AND COMMERCIAL			
PRIOR MONTH-END NET IN-FORCE COUNT	13	812	3
CURRENT MONTH CONTRIBUTION TO IN-FORCE COUNT	1-	8-	
CURRENT MONTH-END NET IN-FORCE COUNT	12	804	3

* RISKS RATED ON OTHER THAN THE PER CAR BASIS

Chapter 1 JUP ADMINISTRATION AND RESPONSIBILITIES

New section added to include definitions

This Accounting and Statistical Requirements Manual applies only to the Servicing Entity appointed by the Insurance Commissioner to write eligible policies on behalf of the Hawaii Joint Underwriting Plan (JUP). This manual addresses the reporting requirements and responsibilities between the parties. For the purposes of this manual and other manuals, the following definitions shall apply:

- “Central Processor” is an entity under contract to the HJUP that provides data processing and financial services functions to support the allocation of private passenger, commercial and CPAI net results of operation to the JUP member companies utilizing HJUP member’s participation reports. We do not settle quarterly with the HJUP. At least annually with policy year close out, or when funds are needed.
- “Fronting Company” is an insurance company that is under contract with the HJUP and a servicing entity. Under those agreements, the fronting company allows its licensing authority and company name to be used to issue HJUP eligible automobile insurance policies on behalf of the Plan.
- Joint Underwriting Plan “JUP” or “the Plan”, as it refers to eligible auto policies, refers to insureds whose policies are issued by a Servicing Entity in the name of the fronting company on behalf of the Plan.
- “Member Company” mean a Plan subscriber as defined in as defined in HRS §431:10C-106.”
- “Servicing Entity ” means an entity appointed by the Insurance Commissioner to issue and service eligible auto policies through the HJUP. A Servicing Entity must be an entity contracting with a licensed insurer in whose name the policies will be issued on behalf of the HJUP. A servicing entity must comply with all applicable insurance regulations and state statutes.

This Chapter will provide the general responsibilities of the various groups involved in the operations of the JUP.

A. Servicing Entity

- ~~1. Provide fine quality service to Joint Underwriting Plan (JUP) insureds and agents~~
1. Provide services at industry standards to HJUP insureds and producers by following industry best practices.
2. Bill and collect premiums when due including proper public assistance recipients. ~~who are credit to premiums action.~~
3. Disburse funds when due.
4. ~~Handle~~ Manage claim transactions including claim payments, recording reserves, collecting subrogation/salvage recoveries.
5. ~~Handle~~ Manage proper agent producer interaction and compensation ~~action~~ in accordance with JUP standards.
6. Code and prepare data processing input for necessary transactions.

7. Maintain all necessary controls, books, ledgers and data sets required.
8. Prepare needed accounting and data processing reports.

B. Participating Members

1. Record on their books as direct business by policy year their share of allocated participation experience.
2. Remit JUP assessments when due.
3. Pay premium taxes and Board, Bureau and Association expenses according to allocated participation experience.
4. Report their voluntary data directly to the HJUP Central Processor if the member has failed to report such data to a statistical agent.

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C. **JUP Bureau**

The Commissioner shall establish and maintain a JUP Bureau in the Insurance Division. This Bureau, in addition to functions required by law, shall:

1. Routinely review the Servicing Entity and JUP activities to certify adherence to prescribed procedures and recommend changes as required;
2. Routinely review the JUP Central Processor activities and accept the independent audit annually;
3. Review the adequacy of JUP claim reserves; and
4. Undertake such other actions as are deemed necessary by the Commissioner.

D. ~~HJUP~~ **Central Processor**

The ~~HJUP~~ Central Processor is appointed by the Insurance Commissioner to carry out the volume of functional and clerical work required at the ~~HJUP~~ consolidating level. The functions performed by the JUP Central Processor are to include:

1. ~~JUP computer assignments~~ Data Processing
 - ~~a. Servicing Entity computer report consolidation~~
 - a. Receipt of Servicing Entity's data reporting
 - b. Assessment/equity determination and reporting
 - ~~c. Computer statistical work~~
 - c. Receipt, consolidation and validation of statistical data
2. ~~JUP~~ Accounting Functions
 - a. Entries into books, ledgers and control
 - b. Verification of report validity, both reports received from Servicing Entity's and reports generated by the JUP Central Processor

- c. All necessary disbursement and collection action of HJUP funds from the central JUP bank as prescribed by this Manual
- d. Invest excess cash in short term obligations as approved in the HJUP investment guidelines prescribed by this manual.
- e. Allocate miscellaneous income and expense amounts to the appropriate policy year not reported by policy year by the Servicing Entity to the appropriate year when the income or expense exceeds 2% of the results of operation.

3. Actuarial Assignments

- a. Calculation of the premium deficiency reserve in accordance with NAIC requirements.
- b. Calculation of anticipated salvage and subrogation in accordance with NAIC requirements.
- c. Calculation of incurred but not reported (IBNR) loss reserves, including future developments on claims known to the Servicing Entity ~~Servicing Carrier~~, in accordance with NAIC requirements.
- d. Provide annually a qualified Statement of Actuarial Opinion regarding the reasonableness, accuracy, and consistency of their case based and allocated expense reserve requirements
- e. By mutual agreement, perform and bill additional actuarial services as authorized by the Commissioner.

**E. Accounting and Statistical Committee
Manual Maintenance**

- ~~1. assist in the maintenance of manuals~~
- ~~2. study and recommend changes necessary in accounting and statistical procedures and controls~~
- ~~3. routinely review Servicing Entity and JUP activities to certify adherence to prescribed procedures and recommend changes as required~~
- ~~4. assist the Claim Committee in reviewing the adequacy of claim reserves.~~

The Central Processor will be responsible for the maintenance and review of the JUP Accounting and Statistical Requirements Manuals for adequacy and will propose any necessary manual revisions to the HJUP Board for review and to the Insurance Commissioner for approval.

Chapter 2
ACCOUNTING SERVICES

Subsections A through F and J and K are removed in their entirety, as they are located in the Principles of Operations Manual.

The servicing entity will ensure all accounting services to insured are rendered in a professional and courteous manner, handled with the highest quality, and punctuality in administering the services needed to accomplish insurance transactions in compliance with Hawaii Statutes.

All policies, renewal extensions, endorsement changes, billings and notices will be issued by the servicing entity and forwarded to the producer, or directed to the insured with simultaneous notice to the producer of record. All accounting records for the HJUP insured will be properly maintained and controlled by the servicing entity.

~~Each Servicing Entity will render a high level of service to JUP insureds.~~

~~Policies, renewals endorsement changes, billings and notices shall be issued by the Servicing Entity and forwarded to the producer, or directed to the insured with simultaneous notice to the producer of record (documents not requiring a countersignature only). Accounting records for JUP insureds shall be properly maintained and controlled by the Servicing Entity.~~

~~Recognizing that the insured is not normally well versed in insurance details (policies, coverages, terms, procedures, etc.), special care needs to be taken to contain the complexities of the practice of the insurance profession to the professionals, namely the Servicing Entity and the producer. For this reason, all contacts between the insured and the Servicing Entity or the Servicing Entity's producer of record shall be in a clear understandable manner.~~

~~A. The Relationship Between the Producer and Servicing Entity~~

~~It is recognized that the producer and the Servicing Entity are solely responsible for the favorable relationship between the insured and the JUP. This relationship for the greater measure will be the direct result of the contacts and transactions between the producer and the Servicing Entity. Further to these relationships, it is recognized that the Servicing Entity has been screened and selected on the basis of its ability to meet the requirements as a representative of the JUP.~~

~~1. Producer Appointment~~

~~The manner of selection of a Servicing Entity(s) for each producer will vary according to the marketing method of the producer and whether or not a producer's voluntary company(ies) have~~

~~been appointed to be a Servicing Entity. In any event, the producer has the responsibility of becoming thoroughly versed in the carrier's manner of doing business so that questions and requests for service posed the producer by JUP insureds may be capably handled.~~

~~a. Producer's Voluntary Company(ies) Has Been Appointed As A Servicing Entity~~

~~a) Exclusive Agency Producer— when a producer has an exclusive agency arrangement with an insurance carrier who has also been appointed as a Servicing Entity, that producer may act only on the behalf of that carrier in the transaction of JUP business.~~

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~~b) Independent Agency
Producer when a producer has
an independent agency
arrangement with multiple
insurance carriers who have also
been appointed as Servicing
Entities, that producer may act
only on the behalf of those
carriers in the transaction of JUP
business.~~

~~b. Producer's Voluntary Company(ies)
Has Not Been Appointed As A
Servicing Entity~~

~~When a producer's voluntary
company(ies), either exclusive
agency or independent agency (in
this case none of the normally
represented insurance carriers
could have been appointed as a
Servicing Entity) has not been
appointed as a Servicing Entity, that
producer may act on the behalf of
any or all of the appointed Servicing
Entities in the transaction of JUP
business.~~

~~c. Producer's Voluntary Company(ies)
Has Not Been Appointed As A
Servicing Entity~~

~~When a producer's voluntary
company(ies), either exclusive
agency or independent agency (in
this case none of the normally
represented insurance carriers
could have been appointed as a
Servicing Entity) has not been
appointed as a Servicing Entity, that
producer may act on the behalf of
any or all of the appointed Servicing
Entities in the transaction of JUP
business.~~

2. Producer Remittances

~~Producers having voluntary business ties
with a given Servicing Entity company
will remit premiums daily to the
Servicing Entity on a gross remittance
basis immediately upon receipt by the
producer.~~

~~Producers without voluntary business
ties with a given Servicing Entity
company will remit premiums daily to
the Servicing Entity on a gross
remittance basis immediately upon
receipt by the producer.~~

~~The premium payment or deposit
remittance may be in the form of an
insured's personal check, an agency
check, a cashier's check or a money
order payable to the Servicing Entity.
The Servicing Entity may require
certified or cashier's checks, if
experience on returned checks warrants
such action. At the option of the
Servicing Entity, cash payments may be
accepted provided that the agent
personally delivers said cash payment to
the business office of the carrier during
normal working hours.~~

~~3. Producer Commissions (moved to ch
3)~~

~~The Servicing Entity will forward to the
producer, no less frequently than
monthly, a statement showing all
commission transactions and the net
compensation (for full description of this
statement see Chapter 3 of this
document).~~

~~In the event that a producer fails to
include his TIN with an application, and
that information is not available in the
Servicing Entity's records, the producer's
commission is to be withheld in its
entirety until the applicable TIN is
provided to the Servicing Entity. Under~~

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~~these circumstances, the producer is to be notified promptly that this procedure is being implemented and that payment of the affected commission will be accomplished under the next commission payment cycle following the receipt of this information.~~

~~4. Line of Communications~~

~~The Servicing Entity will be responsible for maintaining a line of communications for the producers when they have questions concerning the risks they are placing with the JUP. This will include premium remittances and commissions.~~

~~5. Deferred Payment Plan(s) and Payment Fees~~

~~If a Servicing Entity makes available a deferred payment plan(s) to its voluntary insured market, a comparable deferred payment plan(s) shall be available to its JUP insureds.~~

~~Payment fees collected for processing JUP multiple invoices and multipayments shall be in like size and amount as the payment fees received from voluntary insureds. These payment fees shall be retained as an offset to processing expense and shall be separate and above all other Servicing Entity expenses paid to the Servicing Entity by the JUP.~~

~~**B. Application, Deposit and New Business**~~

~~**Billing**~~

~~As an application is completed the handling is to be as follows:~~

~~1. Binding Effective Date~~

~~In no event shall the binding application effective date be earlier than the date and time of writing.~~

~~2. Deposit Premium~~

~~Applications, regardless of coverages afforded, must be accompanied by an initial payment amount consistent with the down payment required by the Servicing Entity's Payment Plan(s) offered in the voluntary market.~~

~~3. Application Handling by the Producer~~

~~a. Insured's Copy~~

~~A copy of the application must be given to the applicant by the producer of record at the time of writing.~~

~~b. JUP Bureau Copy - OBSOLETE~~

~~A copy of the application must be accumulated with all other such copies until the end of each business day and then at the end of normal business hours, posted to the Bureau in a single mailing envelope.~~

~~c. Servicing Entity Copy~~

~~A copy of the application accompanied by the prescribed premium deposit, must be submitted to the proper Servicing Entity on a daily basis immediately upon receipt by the producer of record.~~

~~d. Agent Copy~~

~~A copy of the application shall be retained in the Agent's file.~~

~~6. Servicing Entity Handling~~

~~The Servicing Entity will handle all policy issuance and generation of the related~~

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~~billing on a punctual day to day basis, with the maximum issuance time not to exceed fifteen (15) working days after date of receipt by the Carrier. It must be noted, however, that any statutory filings must be made within the time required.~~

C. ~~Renewal Processing And Billing~~

~~JUP renewal policies must be rated in the proper classification and be assigned the proper surcharges, if any, for the upcoming policy period. It is the Servicing Entity's responsibility to undertake action that will develop the data necessary to properly rate upcoming renewals. This action may consist of, but is not limited to, MVR's, inspection, etc per the Servicing Entity's voluntary market operating procedures.~~

~~The renewal offer of JUP policies are to be prepared and mailed or electronically transmitted by the Servicing Entity at least thirty (30) days in advance of the renewal effective date. The payment notification that is part of the renewal offer package is to have the renewal effective date as the payment due date.~~

D. ~~Endorsement Processing and Billing~~

~~A request for a change in a policy may be received by the Servicing Entity, directly from the insured or from the producer. If from the producer, the request is to be sent daily to the Servicing Entity to be received immediately after the writing date of request for change. In no event shall a request for change adding coverage or additional items have an endorsement effective date that precedes the date and time of the writing of the request for change, except in those instances where contractual coverage exists automatically under the terms of the policy and notice to the~~

~~Servicing Entity is accomplished within the time frame required.~~

~~The Servicing Entity will handle endorsements requested, issuing endorsement change notices and related billing/refund checks on a punctual day to day basis with a maximum issuance time not to exceed fifteen (15) working days after the date of receipt by the carrier.~~

~~If a return premium is called for, the Servicing Entity will draw a check for the gross amount of the premium refund due. The check will be made payable to the policyholder or the finance company (as applicable) and, at the discretion of the Servicing Entity, returned either directly to the policyholder or via the producer to the policyholder; recognizing that all finance company refunds, where a signed agreement exists, by necessity, must be sent directly to the finance company.~~

~~If additional premium is due, the gross due premium will be billed and is payable within thirty (30) days following the billing date or in a manner consistent with the Servicing Entity's billing practices.~~

E. ~~Payment Receipts~~

~~Each Servicing Entity will provide a procedure for effective billing and collection follow-up efforts for premium payment due from JUP policyholders.~~

**F. ~~Cancellation Initiated by the Servicing
Carrier for Nonpayment of Premium~~**

~~The Servicing Entity will follow existing procedures to comply with cancellation statutes as provided by law. The Servicing Entity must take every precaution to avoid providing insurance protection without collecting the appropriate premium. Should the situation arise that a balance write-off of~~

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~~uncollected premium be necessary, it will represent an expense ultimately charged to the participating members. Any balance write-off must be reasonable, and supportable indication of sound collection follow-up efforts will be available in the office of the Servicing Entity supporting this write-off action.~~

~~If an insured defaults in payment of his premium, the policy will be canceled for nonpayment. Cancellation shall be effective on the date specified and coverage shall cease on such date. No coverage will be effective if the insured's premium remittance that accompanies the application is justifiably dishonored by the financial institution.~~

~~If the Servicing Entity issues a cancellation notice for nonpayment of premium to the insured and the insured's remittance received by the Servicing Entity subsequent to issuance of such cancellation notice is justifiably dishonored by the financial institution, the policy will terminate on the date and time shown on the cancellation notice issued for nonpayment of premium.~~

~~Nothing herein shall be deemed to affect the Servicing Entity's right to cancel a policy for other reasons as provided by law.~~

~~If after posting the cancellation credit premium entry a debit balance remains on the insured's ledger record (indicating that earned premium has exceeded premium collections), the Servicing Entity will be responsible for taking reasonable collection procedures in attempting to collect from the insured.~~

~~If normal collection procedures include fees payable to a collection agency, the fees will be borne by the Plan. The method of recording collection fees will depend on whether or not there was a recovery as a~~

~~result of the collection activity and whether they are paid with Plan funds or voluntary funds.~~

- ~~1. Collection fees netted with a recovery will be handled as follows:~~

~~The recovered funds (net of collection fees) should be reported on the Cash Analysis Depository account to the appropriate line item. In addition, the amount of collection expenses associated with the recovery will be reported on the Collection Expense and the Premium Receivable lines of the Miscellaneous Journal Voucher Exhibit.~~

~~If the recovered amount was previously charged off, the gross amount recovered should also be reversed from the Statistical Summary Premium Charge-off line. This entry is not required if the outstanding balance was not previously charged off.~~

- ~~2. Collection fees not associated with a recovery of funds will be handled using one of the two options listed below:~~

- ~~a. Option 1 – Collection expenses may be paid using the Servicing Entity disbursement bank account. This expense should be reported on the Collection Expense line of the Disbursement Cash Analysis.~~

- ~~b. Option 2 – Collection expenses may be paid using voluntary funds. In this case the carrier should reimburse the voluntary company with funds from the Servicing Entity disbursement account. An entry should be recorded on the Collection Expense line on the Disbursement Cash Analysis to record this reimbursement.~~

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~~Reimbursements of collection expenses incurred by the voluntary company must be done at least quarterly.~~

G.A. Premium Deposits

The servicing entity shall timely deposit all premiums collected within two business days into the designated bank account. When applying the premium deposit to the policy, the funds should be applied to any applicable service charges or other fees first, with the remaining amount applied to the premium receivable.

The Servicing Entity will establish a procedure for effective billing and collection follow-up efforts for premium payments due from policyholders. Any collection fees incurred will be borne by the HJUP.

Payments received and deposited in the bank, not applied to a policy because the policy is not in effect or the policy has not been set up in the servicing entity's system, will be recorded as either advanced premium collected or unapplied cash in accordance with NAIC rules.

B. Cancellation Initiated by the Servicing Entity for Nonpayment of Premium

The Servicing Entity will follow existing procedures to comply with cancellation statutes as provided by law. The Servicing Entity must take every precaution to avoid providing insurance protection without collecting the appropriate premium. Should the situation arise that a balance write-off of uncollected premium be necessary, it will represent an expense ultimately charged to the participating members. Any balance write-off must be reasonable, and supportable indication of sound collection follow-up efforts will be available in the

office of the Servicing Entity supporting this write-off action.

If an insured defaults in payment of his premium, the policy will be canceled for nonpayment. Cancellation shall be effective on the date specified and coverage shall cease on such date. No coverage will be effective if the insured's premium remittance that accompanies the application is justifiably dishonored by the financial institution.

If the Servicing Entity issues a cancellation notice for nonpayment of premium to the insured and the insured's remittance received by the Servicing Entity subsequent to issuance of such cancellation notice is justifiably dishonored by the financial institution, the policy will terminate on the date and time shown on the cancellation notice issued for nonpayment of premium.

Nothing herein shall be deemed to affect the Servicing Entity's right to cancel a policy for other reasons as provided by law.

If after posting the cancellation, a premium balance remains on the insured's ledger record (indicating that earned premium has exceeded premium collections), the Servicing Entity will be responsible for taking reasonable collection procedures in attempting to collect from the insured.

If collection procedures include fees payable to a collection agency, the fees will be an expense charge to the participating members.

C. Collection Procedures for Uncollected Earned Premium

The Servicing Entity shall implement a collection procedure which contains a minimum of the following requirements to protect the assets of the HJUP.

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1. Earned uncollected premiums of \$50 or less need not be referred to a collection agency. A notice to the insured and broker must be sent indicating the policy is cancelled and an amount due remains.
2. For earned uncollected premium greater than \$50, a notice to the insured and broker must be sent indicating the policy is canceled and an amount due remains. A second letter to the insured requesting immediate payment of the outstanding earned premium balance shall be mailed a maximum of 15 days after the cancellation effective date. The Servicing Entity shall provide a copy of the letter to the producer or provide the producer with notification of nonpayment by other correspondence.

I-D. Loss of Premiums Due to Default

Once an insured has paid his premium to an appointed producer (provided that the insured's check for payment has been honored by the insured's bank or that the insured can present a receipt for cash payment) the Servicing Entity will properly credit the insured's ledger even if the producer defaults on remitting the payment to the Servicing Entity.

In the event, any credits due the producer for future commissions shall be frozen and used to off-set the default amount of the individual policy(s) involved. When the default amount exceeds the producer's future commission credits, the netted default amount shall be separately reported to the JUP by the carrier as an expense that will be shared by all participating members. When the default amount is exceeded by the producer's future commission credits, a netted commission remittance shall be sent to the producer along with the explanatory letter detailing the action taken. A Servicing Entity will be responsible for taking

reasonably normal collection procedures when dealing with a producer that has defaulted. If the balance due was substantial, any legal expense which may be incurred shall have prior approval of the JUP Bureau for absorption by the JUP.

A ~~agent~~ producer failing to remit return commissions would also be considered in default and the above procedures would apply.

For all default cases, after normal collection efforts have been exhausted, an explanatory letter detailing the case shall be sent by the Servicing Entity through the JUP Bureau to the State Insurance Commissioner for further action.

JE. Certified Public Assistance Insureds (CPAI)–

~~Section 431:10C-407 of the Hawaii Motor Vehicle Insurance Law specifically directs that the JUP make available, at no cost to the insured, basic motor vehicle policy coverage to all licensed drivers receiving public assistance benefits consisting of medical services or direct cash payments through the Department of Human Services, or benefits from the Supplemental Security Income program under the Social Security Administration. However, drivers meeting these requirements must first exhaust all paid coverage under any other motor vehicle insurance policy prior to becoming eligible for JUP coverage. Such coverage shall be limited to one vehicle per public assistance unit, unless additional vehicles are approved by the Department of Human Services.~~

~~At the time of JUP application, the public assistance recipient will present to the Servicing Entity of his choice a certificate provided him by the Department of Human Services that certifies the applicant meets the eligibility requirements. The certificate is to be accepted by the Servicing Entity and~~

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~~treated as if it is payment in full for the requested motor vehicle insurance coverage. Certified public assistance insureds shall be subject to the composite rate set forth in the HJUP Private Passenger Automobile Manual regardless of the classification or use of the vehicle. The Servicing Entity must develop the information necessary to validate eligibility of the applicant. It should be noted that **only** basic motor vehicle insurance policy coverages are to be provided for public assistance insured. Excess limits and physical damage coverages cannot be part of these policies, but may be requested for issuance by the applicant as normally paid for policies secured through voluntary channels ~~or~~ through the JUP provided that the applicant qualifies for the JUP for reasons other than being on public assistance.~~

~~Servicing Entitys will receive such certificates and treat them in the same quality manner as any other JUP business. Servicing Entity actions in this regard are to~~

- ~~1. review the certificate to ascertain that the certificate was originated by the Department and authorize a uniquely identified charge-off of the annual premium (records must be maintained supporting the charge-off review/approval action, preserving audit trails for monthly reporting of all such policies processed);~~
- ~~2. verify that the applicant qualifies by notifying the Department of Human Services (DHS) utilizing the completed certificate, retaining a photo copy of the completed certificate as part of the policy record; and~~
- ~~3. certify the certificate which will function as a motor vehicle insurance policy and issue the applicant a motor~~

~~vehicle insurance identification card—do not include a bill.~~

~~Upon receipt of the properly completed certificate from the Servicing Entity, the Department of Human Services will verify that the insured is validly a public assistance recipient. If review of DHS records indicates that the applicant is not a public assistance recipient, the Servicing Entity will not be notified (policy issuance from a fraudulent certificate may be involved and prompt investigation must be undertaken by the Servicing Entity with notification of the situation given the JUP Bureau). If review of DHS records indicate that the applicant is a public assistance recipient, the Notice of Insurance form will be filed for future use.~~

~~When assistance benefits terminate, DHS will notify: (1) the ex-recipient that he must immediately notify the Servicing Entity of termination of benefits and instruct him to obtain insurance for his vehicle through normal channels; (2) the Servicing Entity indicating that the benefits of the insured have been terminated, and indicating the date the termination was effective.~~

~~Upon termination of public assistance benefits, the Department of Human Services (DHS) shall give written notice to the recipient that the recipient's JUP basic motor vehicle policy will terminate 30 days from the date of termination of public assistance benefits. At the end of the 30-day period, a termination endorsement must be processed, by the Servicing Entity, properly crediting the policy for the proper pro-rata unearned premium credit and the off-set amount must be posted as a netting transaction (this charge-off is also to be part of the records maintained supporting each~~

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~~policy actions). It should be noted that in certain unusual cases, recertification can occur at any time during the 30-day period and that the policy should continue to remain in effect should this develop.~~

~~Prior to the policy expiration date, if a new certificate is not received, cancellation notices must be mailed with the standard 30-day notice period showing coverage ceases at the policy expiration date. If a new certificate is received, the Servicing Entity will~~

- ~~1. repeat the proper charge-off procedure and certificate review as performed for new business;~~
- ~~2. certify the certificate as a motor vehicle insurance policy and send related documents do not include a bill;❖~~
- ~~3. promptly notify DHS utilizing the properly completed certificate. Thereafter, the DHS action repeats as was done for new business.~~

~~Endorsements changing public assistance policies will be performed by the Servicing Entitys with no charge to the insured.~~

~~Insured's request to cancel shall be treated like any other policy request, except the resulting policy credit is to be a charge-off, rather than a premium refund.~~

~~No producer's commissions are to be paid in connection with coverage provided to certified public assistance insureds.~~

The Servicing Entity is to receive expense allowances on these policies in accordance with the schedule set forth in the Principles of Operation.

Member companies will receive their proportionate share of CPAI experience and a separate proportionate share of the

unique CPAI charge-offs in accordance with Chapter 12 13. For details on statutory accounting procedures for the unique CPAI charge-offs, refer to Chapter 1213.

~~K. Forms~~

~~Forms used by the Servicing Entity in the performance of services of JUP insureds shall be in a format normally used by that carrier for performance of service to voluntary insureds.~~

Chapter 3

SERVICING ENTITY COMMISSION ACCOUNTS FOR PRODUCERS AGENTS

The Servicing Entity will establish and maintain commission accounts for agents producers. It is mandatory that care be exercised to maintain proper and complete records detailing each and every commission transaction for monthly commission statement accuracy. It should be recognized that no commission is payable in connection with coverage provided to Certified Public Assistance Insureds. The Servicing Entity is responsible for complying with IRS reporting requirements. See Chapter 4 for IRS back-up withholding requirements.

The Servicing Entity is responsible for the disbursement of the producer's commissions. Payment is to be monthly and will be made within fifteen (15) ~~thirty (30)~~ days after the close of the accounting month in which the commission is due. The commission payment will be supported by a statement detailing each transaction for a producer and will be net of returns incurred by the producer.

Normally, the total of all the month's commission due transactions will result in a credit to the producer, with a check drawn in that net amount showing the producer as the payee. In the unusual situation where the net amount represents a charge incurred against the producer because of returns exceeding current month commissions due the producer, the commission statement is considered a billing and the balance is payable to the Servicing Entity within fifteen (15) days after receipt.

A. Producer Commissions

The Servicing Entity will forward to the producer a monthly statement showing all commission transaction and the net compensation.

In the event that a producer fails to include their TIN with an application, and that information is not available in the Servicing Entity's records, the producer's commission is to be withheld in its entirety until the applicable TIN is provided to the servicing entity. Under these circumstances, the producer is to be notified promptly that this procedure is being implemented and that payment of the affected commission will be accomplished under the next commission payment cycle following the receipt of this information.

B. Suggested Statement Content

The suggested content contained on the producer's commission statement is as follows:

1. Producer's name and mailing address;

2. Policy number or other identification of the insured's policy involved;
3. Net premiums written, included endorsements, renewals, defaults;
4. Commissions paid/due;
5. Column totals; and
6. Net payment (carrier's check enclosed in this amount) or charge (billing amount due the carrier) to producer, if any.

From the commission statement, the producer should always be able to determine that the proper credit/charge for each commission due transaction has been received. Retention by the producer of these statements will provide the producer a complete record of all transactions that have affected the producer's agent's JUP commission.

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C. Unearned/Return Commissions Collection
Procedures

The Servicing Entity must monitor the commission accounts of producers for prompt payment of balances owed. For all producers with an unpaid outstanding balance over 60 days, the servicing entity should send a letter via mail/email to the producer advising that monies are owed and their payment must be received within 15 days from the date of the notification.

Chapter 4
BANK OPERATIONS

A Central Bank account will be maintained for handling the affairs of the Hawaii Joint Underwriting Plan and separate bank accounts will also be established by each appointed Servicing Entity for the conduct of JUP business.

PART I SERVICING ENTITY BANK ACCOUNTS

A. Primary Bank Account

1. Deposit Content

Monies received by the servicing entity will be deposited in the JUP bank account, within two working days. This provides efficient service to the policyholders, reduce the possibility of returned checks, and to provide for better cash flow management.

The Servicing Entity will establish an efficient system for collection of subrogation and salvage recoveries and refund(s) of recovered deductibles to JUP insureds. Subrogation and salvage recovery collections (above recovered deductible amounts due the insured) shall be netted by the collection expense which must be reasonable and supportable upon request of the JUP authority.

2. Disbursement Content

The Servicing Entity will disburse producer commission, policyholder refunds, and funds received on ineligible policies from the primary checking account.

3. Positive Pay

The Servicing Entity must establish procedures to prevent misappropriation of funds by using a check clearing process referred to as "positive pay". Positive pay is a process that requires the check issuer to periodically transmit to the bank data

on payment instruments it has issued. The bank will not clear an item whose data does not match that provided by the issuer or an item not on the list sent by the issuer.

4. Zero Balance Account

The primary bank account will have a zero-balance arrangement with the HJUP central bank account. A zero-balance account sweeps the net nightly balance either into or out of the central bank.

B. Claims Bank Account

In the establishment of a TPA arrangement for claims handling, a separate disbursement bank account will be opened. The TPA will issue checks for claim payments out of this account. This account will also use positive pay and have a zero-balance arrangement with the HJUP central bank.

1. Claim Check Disbursement Preapproval

The claims TPA must notify the Servicing Entity for all claim check \$300,000 or greater. The servicing entity will ensure sufficient funds are available in the central bank account. Once approval from the servicing entity, the claim TPA can issue the check.

2. IRS Requirements

The Servicing Entity is responsible for complying with IRS reporting requirements with respect to commissions paid to producers, including provision for back-up withholding in the event that the payee

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has not provided the applicable Tax Identification Number.

1099 forms prepared by the Servicing Entity, for which the backup withholding procedure has been applied are to show the aggregate total amount due on the gross basis and the amount withheld as the result of application of this procedure.

The Servicing Entity will be identified as the payor on all 1099 forms issued. Accordingly, the 1099 form should reflect the TIN of the Servicing Entity and not the JUP.

C. Daily Activity Bank Control

Bank controls should be established by the Servicing Entity for the purpose of recording daily activity in the accounts. These controls will ensure adequate funds and assist in reconciliation with the bank statements.

D. Escheat Procedures

Escheat laws relate to the acquisition by the State of unclaimed or abandoned property. JUP policyholder refund,, claim, and commission and unidentified checks fall into this category and may be claimed by the state after a specified period of years. All JUP policyholder refund , claim, and commission checks outstanding for one year or longer from the issued date will be transferred to an Escheat Reserve account pending claiming by the payee or State. Similarly, checks drawn in favor of the JUP for which the purchaser cannot be identified, will be transferred to an Escheat Reserve account after 60 days. The servicing entity will maintain the detailed listing of escheated items which should reconcile to the servicing entity's internal ledger account.

The Servicing Entity is responsible for complying with the Unclaimed Property (Escheat) Statutes of all applicable states.

E. Closing Servicing Entity Bank Accounts

1. Approval

Any decision to close a Servicing Entity bank account will require the approval of the Insurance Commissioner.

~~Each such request will be referred to the Accounting and Statistical Committee for its review and its recommendation to the Insurance Commissioner.~~

PART II. JUP CENTRAL BANK ACCOUNTS

A central bank account shall be maintained by the Central Processor for handling the affairs of the JUP.

A. Opening The Bank

1. Selection of Bank

The Insurance Commissioner shall elect a bank which would serve as a Central Bank for the JUP. The selection should consider the financial strength of the bank, its convenience to the JUP office, facilities to handle all types of bank transactions, loan policies, etc

2. Obtain Proper Documents

The JUP Central Processor will obtain the necessary forms to open the account, such as bank resolutions, encoding information, signature cards, etc.

3. Check Signers

a. Authorization or Removal of Check Signers

The JUP Central Processor has the responsibility to authorize or rescind the authorization of check signers.

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b. Manual Signers

Manual signatures should include two or more employees of the central processor.

c. Facsimile Signature Plate

Facsimile signatures should be those of two authorized employees of AIPSO.

4. Minimum Bank Balance

The minimum bank balance is defined as the amount necessary to cover all outstanding checks, accrued expenses and a stated amount contingency fund. Bank service charges (if any) should be properly expensed for participation sharing.

5. Bank Reconciliation

Bank reconciliations are to be prepared monthly with copies available for JUP member review if requested.

B. Operating Procedures

1. Contingency Fund

The Central Processor reviews and analyzes quarterly the activity of the HJUP funds and prepares cash flow projections for the subsequent year. Based on this analysis, a minimum contingency fund will be determined by the Central Processor and approved by the HJUP to cover expected expenditures. Investment of Funds on Hand

The bank balance of the Central Bank should be reviewed on a routine basis and available funds in excess of the Contingency Fund and Outstanding Checks should be placed in short term investment notes (rated prime

commercial paper excluding industrial commercial paper if rated less than AAA or PPP) until needed for payment or expenses or policy year distributions in accordance with Chapter ~~17-19~~.

2. Line of Credit Procedures

Central Bank Line of Credit

A line of credit may be established at the Central Bank so that the Insurance Commissioner may have the ability to advance funds necessary for immediate operation and transfer to a Servicing Entity bank.

Retaining this credit fund procedure at the Central Bank level allows maximum use of the funds of the servicing entity banks transferred periodically to the Central Bank. This concept will keep at minimum the occasions when borrowed monies are required.

3. Short Term Loans

a. JUP Central Processor's Line of Credit

The Central Processor's line of credit is available to all residual market mechanisms. If a mechanism is in need of funds, a loan document will be drafted and approved by both parties. Interest rate will be charged based on the current borrowing arrangement of the Central Processor.

C. Closing The JUP Central Bank Account

1. Approval

Any decision to close a JUP bank account will require the approval of the state Insurance Commissioner.

2. Preliminary Procedure

After approval has been secured, a letter of intent to close the bank account is to be submitted to the bank by the JUP Central Processor to notify the bank of the JUP's intention to close out the account at a future date. The bank is to be informed that the account will remain open only as long as required to clear outstanding checks or for one year, whichever occurs first, and that final notice to close the account will be sent by the JUP Central Processor at the appropriate time.

3. Final Closing of a Bank Account

Provisions must be made for handling outstanding checks that may subsequently be presented to the bank for payment after the bank account has been closed. The JUP Central Processor will give final notice that the bank account has been closed, and withdraw the authorization of all check signers.

D. Bonding

Any and all persons having control of the central bank account must be bonded in an amount appropriate for the responsibility or according to regulations as required by the State of Hawaii.

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Chapter 5
ACCOUNTING AND STATISTICAL DETAIL RECORDS

The Servicing Entity will have a chart of accounts, ledgers and necessary support detail to clearly control the policy and claim services rendered. Detail records must be maintained for audits.

The Servicing Entity will submit the accounting and statistical detail to the Central Processor a monthly basis.

PART I. ACCOUNTING DETAIL RECORDS

A. Retention of Records

The retention and destruction of records by the servicing entity will follow its standard practices to satisfy state, federal or NAIC examinations or audits.

*All TPA arrangements made between the Service Entity and such TPA(s) shall stipulate the record retention requirements in accordance with Hawaii applicable state's record retention laws.

B. Written Premium Records

The Servicing Entity will have available, at the detailed premium transaction level, a record to support the written premium entries on the monthly general ledger and statistical summary report submitted to the JUP Central Processor. Such record details will be inclusive of:

1. New Business
2. Renewals
3. Endorsements (return and additional premium)
4. Cancellations

C. Loss Transaction Records

The Servicing Entity will have available, at the detailed claim transaction level, a record to support the claim experience entries on the monthly general ledger and statistical summary report submitted to the JUP Central Processor. Such record details will be inclusive of:

1. Losses paid
2. Case-basis claim reserves (as of month-end)

3. Allocated loss adjustment expenses paid ()
4. Salvage and subrogation income and, if any, the collection expense deducted from the recovery.

D. Premiums in Course of Collection Records

The Servicing Entity will have available, at the detailed accounting transaction level, a record to support the premium in course of collection. Such record details will be inclusive of, but not limited to:

1. Premium payment receipts
2. Premium disbursements (refunds)
3. Premium write-offs other than JUP certified public assistance insureds
4. Premium write-offs for JUP certified public assistance insureds

Reconciliation of premiums receivable to the general ledger account is to be accomplished monthly. Upon request, such reconciliation shall be supported by detailed listings.

E. Commission Payment Records

The Servicing Entity will prepare monthly commission statements that are submitted to producers with remittance checks of the commission due or request for payment if a balance is due back to the Servicing Entity. These checks are to be supported by the multiple commission statements for any given month, retained by the Servicing Entity.

PART II. STATISTICAL DATA SETS

The Servicing Entity must make provisions to their policy administration and claim systems to ensure policy and claim level detail transactions are properly coded for JUP statistical reporting and reporting requirements in this Manual.

Only summary reports are forwarded to the JUP Central Processor by the servicing entity. Transaction level detail must be maintained by the Servicing Entity. The nature and manner of storing/handling the data sets is at the discretion of the Servicing Entity, with the provision that the prescribed end result reports can be accomplished as scheduled in this Manual with accuracy. The premium/claim level detail comprising the data sets must have unique identification as being JUP experience.

The servicing entity data sets include:

A. Premium Written Details

Premium written details will be used for summarizing premium written, premium earned

and premium unearned. This data set makes extensive use of Policy Year for summary purposes.

B. Commission Due Details

Commission due details will be used for summarizing producers' commission statements.

C. Loss and Allocated Loss Adjustment Expense (ALAE) Transaction Details

Loss transaction details are used for summarizing claims paid, ALAE paid, reserves, salvage recovery, subrogation recovery and as a base for possibly applying the IBNR formula. This data set makes extensive use of the Policy Year and the Accident Year for summary purposes.

D. Statistical Agency Reports

A Servicing Entity and/or third party administrator is required to maintain detailed information to produce Statistical Agency Reports.

Chapter 6

REPORTING TO THE CENTRAL PROCESSOR

All reporting packages that are submitted to the Central Processor must include a transmittal signed by the Servicing Entity to indicate the validity of the report contents. This transmittal, should be included with web reporting as a PDF file.

PART I. ACCOUNTING LEDGERS AND REPORTS

A. Accounting Ledgers

Accounting records and their related chart of accounts will be separately established to handle and permit reporting of the JUP book of business in the office of the Servicing Entity to control receipts, disbursements, receivables, etc. Detail records will be kept available to support entries made into the accounting systems.

In addition, the Servicing Entity is responsible to make all appropriate accruals at Fiscal year-end September 30.

B. Servicing Entity Responsibility for Internal Control

The Servicing Entity is responsible for establishing and maintaining an appropriate level of internal control. The Servicing Entity shall utilize and apply to JUP transactions the accounting systems and internal controls utilized and applied to their regular operations. This will include the appropriate level of management review of all reports subject to provisions in the manuals and agreements.

C. Accounting Reports

The Servicing Entity will have the responsibility of submitting a monthly Statistical Summary Control Report. ser.

1. Statistical Summary Control (Exhibit Q B)

A Statistical Summary Control report will be submitted by the Servicing Entity to the JUP Central Processor each month following a standard format as shown in Exhibit B Q.

The report will serve as the source document for the payment of the Servicing Entity

monthly fees. The report will also serve as a verification control of certain key totals included in the detailed statistical reports discussed in this Chapter.

The Statistical Summary Control totals must be verified, where applicable, to General Ledger Accounts.

2. Monthly Report Due Dates

The monthly Servicing Entity reports will be due at the Central Processor office on or before the fifteenth day of the second month following the close of each month end.

**PART II. MONTHLY, QUARTERLY, AND ANNUAL
SERVICING ENTITY DATA PROCESSING
REPORTS**

A. Servicing Entity Responsibility

The Servicing Entity is responsible for developing and maintaining data that provides the basis for

1. premium (written, earned, and unearned);
2. commission (written, paid, and outstanding);
3. total claims (paid, case reserve and IBNR).
4. allocated loss adjustment expenses (paid and reserve)

All by line of business, private passenger nonfleet, and other than private passenger nonfleet, to be consistent with the identification of data as reported to the Servicing Entity's independent statistical agency, by

- liability (premium and claims);

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- bodily injury (including any medical and uninsured motorists coverages);
- Personal injury protection;
- property damage;
- physical damage (premium and claims); collision; and
- other than collision;

In addition, the Servicing Entity is also responsible for separating and tracking private passenger business into three categories as defined by State regulation

- CPAI risks
- Private passenger – High risk business
- Private Passenger – Other HJUP business for policyholders unable to obtain coverage in the voluntary market (Other HJUP).

All data should be broken down by policy year (for Premium and Losses) and accident year (for Losses only).

Liability and physical damage breakouts are not required because of the pre application fee basis of paying commissions on JUP business.

B. Monthly, Quarterly, and Annual Detail Reports

The Servicing Entity is responsible for submitting accounting and statistical reports, as described in this Part, to the Central Processor. The following reports must be submitted in a data format specified by the Central Processor:

1. Monthly Reports

Statistical Summary Control Premiums Written Commissions Written Losses Paid Allocated Loss Adjustment Expenses Paid

In-Force Vehicle Count Premium Charge-Offs

2. Quarterly Reports

Premiums Unearned Loss Reserves Earned but Unbilled Premium (EBUB)

Number of Claims Reported

Number of Claims Outstanding

Number of Claims Closed with Loss Payment

Number of Claims Closed without Loss Payment

3. Annual Reports

Salvage and Subrogation

“Subtotals” and “Totals” for all policy years combined and/or all coverages combined should not be reported.

The following types of information are not required to be reported:

Earned Premium

Loss Reserves (Prior)

IBNR Loss Reserves (Prior and Current)

The Servicing Entity if elects to report via File Transfer protocol (FTP), the reporting specifications are included as Exhibit A P.

Reports are to be submitted by line of business indicating policy year and, where required, accident year. There will be separate detail reports for the following submitted to the JUP Central Processor on or before the 15th day of the second month following the close of accounting month or quarter.

a. Premiums Written (Policy Year)—See Exhibit C R for format.

b. Commissions Written (Policy Year)—Same format as Exhibit C R with the exception that Line of Business “Totals” only are needed. Liability and physical damage separations are not to be made.

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- c. Premiums Unearned—as of end of calendar quarter (Policy Year)—See Exhibit C S for format.
- d. ~~Claims~~ Losses Paid (Policy Year and Accident Year)—See Exhibit D T for format.
- e. Loss Claim Reserves (Reported)—as of end of calendar quarter (Policy Year and Accident Year)—See Exhibit D U for format.
- f. ~~IBNR Claim~~ Loss Reserves – this exhibit is provided by the Central Processor, as of end of calendar quarter (Policy Year and Accident Year)—See Exhibit D V for format.
- g. In-Force Vehicle Count and Certified Public Assistance Insureds—See Exhibit E W for format.
- h. ~~Trial Balance~~—See Exhibit X for format
- i. Vehicle Census Report – See Exhibit R for format.
- j. Earned but Unbilled Premium (EBUB)—See Exhibit T for format.
- k. Premium Charge-Offs—See Exhibit-U

The Servicing Entity will report premium charge-offs by policy year and by coverage. The totals are used to verify the amount reported on the Statistical Summary Control report.

These individual reports provide the Central Processor the detail data necessary to develop statistical reports to participating companies, and with the exception of Exhibits W, X, and Y, they must balance to the Statistical Summary Control Report (Exhibit B Q) which is the source document for payment of the Servicing Entity expense allowances.

Exhibit C R—Monthly Premium Written

Explanation of Exhibit

Written premium shall be recorded to policy year in accordance with NAIC guidelines.

The premium figures are separated by line of business, private passenger and other than private passenger, bodily injury, personal injury protection, property damage, collision and other than collision and policy year. Private passenger is further broken down into CPAI risks, high risk and other than HJUP risks.

The final totals of monthly premium written, separated between CPAI, liability for high risk and other HJUP risks and physical damage, are used to verify the Statistical Summary Control report, Entries (4), (5), (6) and (7) (See Exhibit Q).

Note: Commissions written will have same general format as premiums written with caption change, but only the TOTALS line will contain entries for private passenger nonfleet and other than private passenger nonfleet. There are no commissions written for CPAI risks.

Exhibit C S—Premiums Unearned

The quarterly Premiums Unearned report is structured the same as the monthly Premium Written report. The unearned premiums are as of the end of the calendar quarter being reported. Unearned premium applicable to CPAI risks subject to composite rates are to be included with personal injury protection coverage under private passenger nonfleet.

The final total of unearned premium, separated between liability and physical damage are used to verify the Statistical Summary Control report for the end of

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the calendar quarter, ~~Entries (20), (21) and (22) (see Exhibit Q).~~

Exhibit ~~D V~~— ~~IBNR Claim Loss Reserves~~

Exhibit ~~D T~~— ~~Claims Losses Paid~~

The monthly paid ~~claim loss~~ figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

The final total of ~~claims losses~~ paid is used to verify the Statistical Summary Control Report, ~~Entry (15) (see Exhibit Q).~~

Exhibit ~~D U~~— ~~Claim Loss Reserves (Reported Case Basis)~~

The quarterly ~~loss claim~~ reserves figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

The reserve figures are as of the end of the calendar quarter being reported. ~~Claim Loss~~ reserves will be reported gross of anticipated salvage and subrogation recoverables. ~~Loss Claim~~ reserves on HJUP business are to include losses only and should not include reserves for allocated loss adjustment expenses.

The final total of ~~claim Loss~~ reserves is used to verify the Statistical Summary Control Report, ~~Entry (33) for the end of the calendar quarter (see Exhibit Q).~~

The Servicing Entity will annually certify the reasonableness, accuracy, and consistency of their case based reserves.

The quarterly IBNR ~~claim loss~~ reserves figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

An IBNR shall be any case that is not statistically identified and individually reserved.

The incurred loss for any given policy year is defined as being the composite of ~~losses claims~~ paid, ~~loss claim~~ reserves (reported case basis) and IBNR ~~loss claim~~ reserves. For this reason, the IBNR ~~claim loss~~ reserves reported to JUP must be adequate to cover all outstanding incurred claims at any point in time.

The Central Processor will use total quarterly all Servicing Entity combined data to develop IBNR loss reserves for each class of business (private passenger – high risk; private passenger – other HJUP business; CPAI; and other than private passenger). The IBNR will be allocated back to each Servicing Entity based on each Servicing Entity's premium volume as it relates to the total HJUP premium volume. The OTPP IBNR will be estimated on an all sublines combined basis and allocated back to individual sublines based on premium volume. Annually, the Central Processor will provide the JUP with a qualified Statement of Actuarial Opinion.

Exhibit ~~E W~~— Report of In-Force Vehicle Count and Certified Public Assistance Insureds Count—Explanation of Exhibit

In-force vehicle counts are required separately for private passenger nonfleet (high risk, other HJUP risks and

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CPAI risks) and for commercial policies for which the exposure is clearly identifiable as a specific number of vehicles. For all other commercial policies, the total policy in-force count is to be reported.

A vehicle count of one is to be assigned to each vehicle having liability, personal injury protection, and physical damage coverage and to each vehicle having only liability and personal injury protection coverage. Policy counts are to be determined on the same basis.

The exhibit will trace the development of the in-force data separately as defined above, showing such data as of the prior month-end, the contribution of in-force during the current month and to net in-force as of the end of the current month, derived as the sum of the net in-force as of the prior month end and the contribution to in-force during the current month.

The contribution of in-force count for the current month shall include the following:

- A complete count of the month's new business writings and taken renewal writings, plus
- Add-on item (cars/vehicles) endorsements, minus
- Cancellation of policies (total cars/vehicles/policies as applicable for the category being counted), minus
- Delete item (cars/vehicles) endorsements, minus
- Expirations and not-taken renewals

~~Exhibit X—Trial Balance~~

~~The servicing entity will maintain a separate chart of accounts, to control receipts, disbursements, receivables, etc. Detailed records shall be kept available to~~

~~support all entries made into the accounting ledgers of the servicing entity.~~

~~See Exhibit X for the report format.~~

Exhibit R – Vehicle Census Report

The Servicing Entity is required to file, but not submit, a quarterly census report. This requirement is per Section 16-23-56 Driver Education Fund. HJUP vehicles are not subject to the fee, but must still file. The due date for the annual submission is February 15, 45 days after the close of the year.

~~Exhibit T—~~Exhibit T—Earned but Unbilled Premium (EBUB)

Adjustments to the premium charged for changes in the level of exposure are generally determined based upon audits conducted after the policy has expired. The servicing entity shall estimate audit premium, the amount generally referred to as earned but unbilled (EBUB) premium. The amounts shall be reported by policy year, class (other than private passenger), coverage, and line of business. The final totals of earned but unbilled premium, separated between liability and physical damage are used to verify the monthly statistical control entries for earned but unbilled premium.

~~Exhibit U—~~Exhibit U—Premium Charge-Offs

The Servicing Entity will report premium charge-offs by policy year, class, coverage and separately by CPAI, high risk and others unable to obtain coverage in the voluntary market. The totals are used to verify the amount reported on the Statistical Summary Control.

PART III. ANNUAL SERVICING ENTITY DATA PROCESSING REPORTS

The Servicing Entity is responsible for developing and maintaining the data required in preparing the Annual Reports described in this chapter.

A. Annual Salvage and Subrogation Report

The Servicing Entity must prepare an Annual Salvage and Subrogation report to provide liability and physical damage data as required in the Annual Statement, Schedule P, by November 15th.

It should be noted that Annual Period for reporting purposes is the JUP Fiscal Year of 10-1 to 9-30.

See Exhibit F_Z for the recommended report format and note the relationship of Fiscal Year to loss incurred and paid year.

B. Statement of Actuarial Opinion

The Servicing Entity must include with its fiscal yearend report package a Statement of Actuarial Opinion.

This statement will be provided to the Central Processor and shall set forth the actuary's opinion relating to the servicing entity's total reported loss reserves as of the report date. The format and content of the Statement of Actuarial Opinion shall be consistent with the requirements of the NAIC Annual Statement Instructions: Property and Casualty, as respects loss reserves. The definition of "qualified actuary" shall be the same as that set forth in the NAIC instructions.

If the opinion is adverse or qualified, the servicing entity's must advise the Insurance Commissioner of the action being taken to resolve the problem.

The Servicing Entity, including those in a run-off position, will be required to provide these actuarial statements. The NAIC Annual Statement exemptions are not applicable to this report.

Exception: The Central Processor will calculate IBNR loss reserves for all HJUP business in accordance with NAIC requirements.

C. Catastrophe Loss Reports

The Servicing Entity, in their internal records, will identify all losses (paid and outstanding) associated with catastrophic events by the catastrophe serial number assigned by Property Claim Services (PCS). These records shall include the day, month, and year on which the loss occurred. If the estimate of losses within the United States reaches \$1 billion as the result of a single catastrophic event, and the JUP's total statewide physical damage premium for the latest calendar year exceeds \$1 million, the Central Processor will notify the Servicing Entity that reports of other than collision losses associated with this catastrophe serial number will be required.

Preliminary and final reports will be submitted according to this schedule:

Catastrophe Date				Preliminary		Final Losses		Report Due Date
				Losses as of	Due Date	as of		
Jan, Feb, Mar	XXX1	6/30/X1	8/15/X1	12/31/X2	2/15/X3			
Apr, May, June	XXX1	9/30/X1	11/15/X1	3/31/X3	5/15/X3			
Jul, Aug, Sep	XXX1	12/31/X1	2/15/X1	6/31/X3	8/15/X3			
Oct, Nov, Dec	19X1	3/31/X1	5/15/X2	9/30/X3	11/15/X3			

The Central Processor will consolidate the preliminary and final reports and distribute to the participating members within 30 days of the receipt of the reports. Participating members may calculate their share of losses by applying their current participation ratio to the appropriate policy year.

See Exhibit H_EE for the format for the preliminary and final reports. Losses should be reported by: 1) accident date within each policy year; 2) class and 3) losses paid and losses outstanding. A sub-total should be provided for policy years with multiple dates as well as an overall total of losses paid and losses outstanding.

**PART IV. QUARTERLY SERVICING ENTITY DATA
PROCESSING REPORTS**

The Servicing Entity is responsible for developing and maintaining the data required in preparing the quarterly reports in this Part.

A. Quarterly Claim Count Reports

1. Number of Claims Reported

The quarterly report of the number of claims reported shows claim counts separately by class, coverage and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

See Exhibit G AA for format.

2. Number of Claims Outstanding

The quarterly report of the number of claims outstanding shows claim counts separately by class, coverage and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

See Exhibit G BB for format.

3. Number of Claims Closed With Loss Payment

The quarterly report of the number of claims closed with loss payment shows claim counts separately by class, coverage and accident year, in compliance with NAIC reporting requirements. The method used in counting claims must also be reported.

See Exhibit G CC for format.

4. Number of Claims Closed Without Loss Payment

The quarterly report of the number of claims closed without loss payment shows claim counts separately by class, coverage and accident year in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

See Exhibit G DD for format.

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Chapter 7

This chapter is replaced in its entirety.

QUARTERLY OPTION FOR SERVICING ENTITY REPORTING TO THE CENTRAL PROCESSOR

~~Servicing Entity's have the option to submit accounting and statistical detail reports to the Central Processor on a quarterly basis. If a Servicing Entity elects to report quarterly, they must advise the Central Processor, in writing, of their decision prior to the start of the Fiscal Year in which the change in reporting will occur. It is the responsibility of the Servicing Entity to summarize the data on a quarterly basis and file it with the Central Processor on a timely basis.~~

~~All reporting packages that are submitted to the Central Processor must include a transmittal signed by an officer of the Servicing Entity to indicate the validity of the report contents. This transmittal may be faxed, included with web reporting as a PDF file or submitted on hard copy.~~

~~PART I. SERVICING ENTITY ACCOUNTING LEDGERS AND REPORTS~~

~~A. Accounting Ledgers~~

~~Normal books of original entry and their related chart of accounts shall be separately established to handle and permit reporting of the JUP book of business in the office of each Servicing Entity to control receipts, disbursements, receivables, etc. Detail records shall be kept available to support entries made into the accounting ledgers of the Servicing Entity.~~

~~The Servicing Entity will record to the appropriate accounts any adjustments required as the result of an audit. The audit adjustments should be reported to AIPSO as part of the normal quarterly accounting process. However, the Servicing Entity is required to footnote the audit adjustments in a cover letter in order for the Central Processor to separately identify and monitor the recording of audit adjustments. The cover letter must detail, by line item on the quarterly accounting reports submitted, the dollar amount of the audit adjustments.~~

~~In addition the Servicing Entity is responsible to make all appropriate accruals at Fiscal Year end September 30.~~

~~B. Accounting Reports~~

~~Each Servicing Entity will have the responsibility for submitting the accounting reports described in this Chapter to the JUP or Central Processor.~~

~~These reports include three Cash Analysis Reports, Self Balancing Reports, and a Statistical Summary Control Report. In addition, for each month of the quarter, a Schedule of Daily Transfers must be completed and submitted at the end of the quarter. Reports must be signed by an authorized individual of the Servicing Entity thus indicating the validity of the report contents. The signed report will be kept on file with the Servicing Entity and be available for audit verification.~~

~~(Please be aware that regardless of the internal accounts used by each Servicing Entity, the quarterly reports to the Central Processor must contain a summary of all transactions for the quarter. In cases where suspense accounts are used, it will be necessary for the Servicing Entity to consolidate appropriate account balances in order to complete these reports.)~~

~~In addition, the Servicing Entity's are responsible to identify all suspense items within six months. At that time, if the suspense item is still unidentified, the Servicing Entity should write off the balance.~~

~~The following accounting reports must be submitted quarterly to the Central Processor:~~

- ~~1. Cash Analysis Reports
 - ~~a. Depository Account (Exhibit G)~~
 - ~~b. Disbursement Account (Exhibit H)~~~~

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~~c. Miscellaneous Journal Vouchers (Exhibit I)~~

~~The Servicing Entity will provide a quarterly Cash Analysis report following the standard format shown in Exhibits G, H, and I. The entries on the Cash Analysis reports should reflect the total cash flow in and out of the Servicing Entity bank accounts through the last day of the quarter. In cases where the month is closed on the Servicing Entity's internal ledgers on a day other than the last day of the quarter, the Servicing Entity should complete the memo section on Exhibits G and H. In this section, the Servicing Entity reflects the cash transfers in transit and the net cash position as of the day of the month. By recording all cash transactions in this manner, timing differences as a result of the different month and cut-off dates should be eliminated.~~

~~2. Self Balancing Reports~~

~~To facilitate the reconciliation of balances between the Servicing Entity General Ledger and the subledger maintained by the Central Processor, the Servicing Entity must complete quarterly self balancing reports for the following accounts:~~

- ~~a. Accounts Receivable — Salvage, Subrogation, and Other Loss Recovery (Exhibit UU)~~
- ~~b. Accounts Receivable — Premium (Exhibit J)~~
- ~~c. Accounts Payable — Commissions (Exhibit K)~~
- ~~d. Claim Drafts Outstanding (Exhibit L)~~
- ~~e. Escheat Reserves (Exhibit M)~~
- ~~f. Assigned Claim Drafts Outstanding (Exhibit N)~~

~~The reports will follow a standard format as shown on Exhibits J, K, L, M, N, and UU.~~

~~Detailed records shall be kept available to support all entries made to the accounting ledgers of the Servicing Entity. All accounts should be balanced to detail quarterly and the detail made available upon request.~~

~~3. Schedule of Daily Transfers (Exhibit O)~~

~~The Schedule of Daily Transfers that is prepared separately for funds transferred to and transferred from the central bank must be prepared for each separate month in the quarter. The Servicing Entity must file an individual report for each of the three months at the same time with the Central Processor as part of their quarterly reporting in order to confirm each daily transfer of funds.~~

~~These reports must be filed in conjunction with the Cash Analysis Reports for the quarter and must reconcile to those reports, where appropriate. Formats and filing instructions are shown as Exhibit O.~~

~~4. Statistical Summary Control (Exhibit Q)~~

~~A Statistical Summary Control report will be submitted by the Servicing Entity to the JUP Central Processor quarterly following a standard format as shown in Exhibit Q.~~

~~The report will serve as the source document for the payment of Servicing Entity quarterly fees. The report will also serve as verification control of certain key totals included in the detailed statistical reports discussed in this Chapter.~~

~~The Statistical Summary Control totals must be verified, where applicable, to General Ledger Accounts.~~

~~5. Quarterly Report Due Dates~~

~~The quarterly Servicing Entity reports will be due at the Central Processor office on or before the fifteenth day of the second month following the close of the last month of the quarter.~~

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To prevent late submissions of these reports, the late/erroneous report control procedure, detailed in Chapter 16 of this manual, will be enforced for each Servicing Entity whose reports are not received by the Central Processor within the allotted time period.

6. ~~Instructions for Completion of Exhibits~~

~~Instructions for the completion of the Cash Analysis Reports (Exhibits G, H, and I) and Statistical Summary Control (Exhibit Q) and Schedule of Daily Transfers (Exhibit O) are set forth following the format of the specific exhibit.~~

~~PART II QUARTERLY AND ANNUAL SERVICING ENTITY DATA PROCESSING REPORTS~~

~~A. Servicing Entity Responsibility~~

~~Each Servicing Entity is responsible for developing and maintaining data to comply with JUP requirements as outlined in Chapter 6, Part II. A—Servicing Entity Responsibility.~~

~~B. Quarterly and Annual Detail Reports~~

~~Each Servicing Entity is responsible for submitting accounting and statistical reports, as described in this Part, to the Central Processor. The following reports must be submitted in a data format specified by the Central Processor:~~

1. ~~Quarterly Reports~~

- ~~Statistical Summary Control~~
- ~~Premiums Written~~
- ~~Commissions Written~~
- ~~Claims Paid~~
- ~~In Force Vehicle Count~~
- ~~Premium Charge-Offs~~
- ~~Premiums Unearned~~
- ~~Loss Reserves~~
- ~~Earned but Unbilled Premium (EBUB)~~

~~Anticipated Salvage and Subrogation Recoverables (Required only if reserves are reported net of anticipated salvage and subrogation recoverables.)~~

~~Number of Claims Reported~~

~~Number of Claims Outstanding~~

~~Number of Claims Closed with Loss Payment~~

~~Number of Claims Closed without Loss Payment~~

2. ~~Annual Reports~~

~~Salvage and Subrogation~~

~~“Subtotals” and “Totals” for all policy years combined and/or all coverages combined should not be reported.~~

~~The following types of information are not required to be reported:~~

~~Earned Premium~~

~~Loss Reserves (Prior)~~

~~IBNR Loss Reserves (Prior and Current)~~

~~**Exception:** Run off Servicing Entity’s may submit detail information on either hard copy or on other data formats specified by the Central Processor.~~

~~For those Servicing Entity’s electing to report via File Transfer Protocol (FTP), the reporting specifications are included as Exhibit P.~~

~~Reports are to be submitted by line of business indicating policy year and, where required, accident year. There will be separate detail reports for the following submitted to the Central Processor on or before the 15th day of the second month following the close of the quarter.~~

~~a. Premiums Written (Policy Year)—See Exhibit R for format.~~

~~b. Commissions Written (Policy Year)—Same format as Exhibit R with the exception that Line of Business “Totals” only are needed. Liability and physical damage separations are not to be made.~~

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- c. ~~Premiums Unearned as of end of calendar quarter (Policy Year) See Exhibit S for format.~~
- d. ~~Claims Paid (Policy Year and Accident Year) See Exhibit T for format.~~
- e. ~~Claim Reserves (Reported) as of end of calendar quarter (Policy Year and Accident Year) See Exhibit U for format.~~
- f. ~~IBNR Claim Reserves this exhibit is provided by the Central Processor, as of end of calendar quarter (Policy Year and Accident Year) See Exhibit V for format.~~
- g. ~~In Force Vehicle Count and Certified Public Assistance Insureds See Exhibit W for format.~~
- h. ~~Trial Balance See Exhibit X for format~~
- i. ~~Earned but Unbilled Premium (EBUB) See Exhibit VV for format.~~
- j. ~~Premium Charge-Offs See Exhibit WW~~

~~Servicing Entity's will report premium charge-offs by policy year and by coverage. The totals are used to verify the amount reported on the Statistical Summary Control report.~~

~~These individual reports provide the Central Processor with the detail data necessary to develop statistical reports to participating companies, and with the exception of Exhibits W, X, and Y, they must balance to the quarterly Statistical Summary Control Report (Exhibit Q) which is the source document for payment of Servicing Entity expense allowances.~~

~~Exhibit R Quarterly Premium Written~~

~~Explanation of Exhibit~~

~~Written premium shall be recorded to policy year in accordance with NAIC guidelines.~~

~~The quarterly premium figures are separated by line of business, private passenger and other than private~~

~~passenger, bodily injury, personal injury protection, property damage, collision, and other than collision and policy year. Private passenger is further broken down into CPAI risks, high risk and other than HJUP risks.~~

~~The final totals of quarterly premium written, separated between CPAI, liability for high risk and other HJUP risks and physical damage, are used to verify the quarterly Statistical Summary Control report. Entries (4), (5), (6) and (7). (See Exhibit Q).~~

~~**Note:** Commissions written will have the same general format as premiums written with a caption change, but only the TOTALS line will contain entries for private passenger nonfleet and other than private passenger nonfleet. There are no commissions written for CPAI risks.~~

~~Exhibit S Premiums Unearned~~

~~The quarterly Premiums Unearned report is structured the same as the monthly Premium Written report. The unearned premiums are as of the end of the calendar quarter being reported. Unearned premiums applicable to CPAI risks subject to composite rates are to be included with personal injury protection coverage under private passenger nonfleet.~~

~~The final total of unearned premium separated between liability and physical damage are used to verify the quarterly Statistical Summary Control report for the end of the calendar quarter, Entries (20), (21) and (22) (see Exhibit Q).~~

~~Exhibit T Claims Paid~~

~~The quarterly paid claim figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting~~

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requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

The final total of claims paid is used to verify the quarterly Statistical Summary Control Report, Entry (15) (see Exhibit Q).

Exhibit U—Claim Reserves (Reported Case Basis)

The quarterly claim reserves figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

The reserve figures are as of the end of the calendar quarter being reported. Claim reserves should be reported gross of anticipated salvage and subrogation recoverables. (The Central Processor will calculate the anticipated salvage and subrogation recoverable amounts quarterly.) If a Servicing Entity elects to report its loss reserves net of anticipated salvage and subrogation recoverables, then Exhibit XX should be completed. Claim reserves on HJUP business are to include losses only and should not include reserves for allocated loss adjustment expenses.

The final total of claim reserves is used to verify the quarterly Statistical Summary Control Report, Entry (33) for the end of the calendar quarter (see Exhibit Q).

Effective with the quarter ending March 31, 2011, Servicing Entity's must annually submit certification to the Central Processor regarding the reasonableness, accuracy, and consistency of their case based reserves.

Exhibit V—IBNR Claim Reserves

Quarter Ending December 31, 2010 and Prior Quarters

The quarterly IBNR claim reserves figures are indicated by line of business, coverage and accident year within policy year in compliance with NAIC reporting requirements. Private passenger business is further broken down into CPAI risks, high risk and other HJUP risks as determined by State regulation.

An IBNR shall be any case that is not statistically identified and individually reserved.

The incurred loss for any given policy year is defined as being the composite of claims paid, claim reserves (reported case basis) and IBNR claim reserves. For this reason, the IBNR claim reserves reported to the JUP must be adequate to cover all outstanding incurred claims at any point in time.

IBNR claim reserves should include both bulk and formula reserves and should be reported gross of anticipated salvage and subrogation recoverables. If a Servicing Entity elects to report its IBNR loss reserves net of anticipated salvage and subrogation recoverables, then Exhibit XX must be completed.

The determination to IBNR reserves are affected by Servicing Entity operational characteristics such as

- a. company organizational structure
- b. number and location of claim reporting and recording facilities, and
- c. claim processing technique and schedules.

Since economical operation dictates that each Servicing Entity adhere to its own

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~~individual claim practices and that the IBNR claim reserves reflect Servicing Entity operational characteristics, a universal formula to be used by all Servicing Entity's is not proper.~~

~~During the early development of JUP loss experience when a Servicing Entity will not have the advantage of a history of claims for this particular type of business, a Servicing Entity in establishing IBNR reserves might use as a guideline a realistic incurred loss ratio to the earned premium or the relationship of historical company-wide IBNR claim developments to written premiums.~~

~~Annually, Servicing Entity's will submit a Statement of Actuarial Opinion relating to loss reserves. (Refer to Part III, paragraph B for further information.)~~

~~The final total to IBNR claim reserves is used to verify the quarterly Statistical Summary Control Report, Entry (36), for the end of the calendar quarter (see Exhibit Q).~~

~~Quarter Ending March 31, 2011 and Subsequent Quarters~~

~~Effective with the quarter ending March 31, 2011, Servicing Entity's will discontinue reporting IBNR with statistical data submitted to the Central Processor. Commencing with the quarter ending March 31, 2011, the Central Processor will use total quarterly all Servicing Entity combined data to develop IBNR loss reserves for each class of business (private passenger – high risk; private passenger – other HJUP business; CPAI; and other than private passenger). The IBNR will be allocated back to each Servicing Entity based on each Servicing Entity's premium volume as it relates to the total HJUP premium volume. The~~

~~OTPP IBNR will be estimated on an all sublines combined basis and allocated back to individual sublines based on premium volume. Annually, the Central Processor will provide the JUP with a qualified Statement of Actuarial Opinion.~~

~~Annually, Servicing Entity's will submit certification to the Central Processor regarding the reasonableness, accuracy, and consistency of their case based reserves.~~

~~Exhibit W – Report of In-Force Vehicle Count and Certified Public Assistance Insureds Count – Explanation of Exhibit~~

~~In-force vehicle counts are required separately for private passenger nonfleet (high risk, other HJUP risks and CPAI risks) and for commercial policies for which the exposure is clearly identifiable as a specific number of vehicles. For all other commercial policies, the total policy in-force count is to be reported.~~

~~A vehicle count of one is to be assigned to each vehicle having both liability, personal injury protection, and physical damage coverage and to each vehicle having only liability and no personal injury protection. Policy counts are to be determined on the same basis.~~

~~The exhibit will trace the development of the in-force data separately as defined above, showing such data as of the prior quarter-end, the contribution of in-force during the current quarter and to net in-force as of the end of the current quarter, derived as the sum of the net in-force as of the prior month end and the contribution to in-force during the current month.~~

~~The contribution of in-force count for the current month shall include the following:~~

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- ~~A complete count of the month's new business writing and taken renewal writings, plus~~
- ~~Add on item (cars/vehicles) endorsements, minus~~
- ~~Cancellation of policies (total cars/vehicles/policies as applicable for the category being counted), minus~~
- ~~Delete item (cars/vehicles) endorsements, minus~~
- ~~Expirations and not taken renewals~~

~~Exhibit X—Trial Balance~~

~~Normal books of entry and their related chart of accounts shall be separately established to permit reporting of the JUP book of business in the office of each Servicing Entity, to control receipts, disbursements, receivables, etc. Detailed records shall be kept available to support all entries made into the accounting ledgers of the Servicing Entity. Trial Balance accounts should be balanced to detail monthly and the detail made available upon request.~~

~~Each Servicing Entity must prepare and submit to the Central Processor a Quarterly Trial Balance demonstrating separate control of receipts, disbursements, receivables, etc. for JUP business and the related chart of accounts. It is recognized that suspense accounts not included in the JUP's Chart of Accounts may be used to record transactions unique to a Servicing Entity's operation. In such instances it will be necessary for the Servicing Entity to consolidate appropriate account balances in order to complete the report. The purpose of the Trial Balance is to verify the account balances from the Servicing Entity ledger to those in the Servicing Entity's subledger maintained by~~

~~the Central Processor including Accounts Receivable—Salvage, Subrogation and Other Loss Recovery, Accounts Receivable—Premium, Accounts Payable—Commission, Outstanding Drafts, and Escheat Account. Any differences in account balances must be reconciled. To facilitate this reconciliation, the Central Processor will provide the Servicing Entity with a report of subledger activity no later than 90 days after the close of the fiscal quarter.~~

~~The report will be furnished quarterly and will reflect quarterly entries posted from the reports submitted by the Servicing Entity (see Exhibit Y which details this report). Upon receipt of the subledger activity report each Servicing Entity will confirm in writing to the Central Processor all reconciling items or absence of such within 20 days.~~

~~The Quarterly Trial Balance is due on or before the 15th day of the second month following the close of the fiscal quarter and must be submitted with each quarterly report package. See Exhibit X for the report format.~~

~~Exhibit VV—Earned but Unbilled Premium (EBUB)~~

~~Adjustments to the premium charged for changes in the level of exposure are generally determined based upon audits conducted after the policy has expired. Servicing Entity's shall estimate audit premium, the amount generally referred to as earned but unbilled (EBUB) premium. The amounts shall be reported by policy year, class (other than private passenger), coverage, and line of business. The final totals of earned but unbilled premium, separated between liability and physical damage, are used to verify the quarterly statistical control entries for earned but unbilled premium.~~

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~~Exhibit WW — Premium Charge-Offs~~

~~Servicing Entity's will report premium charge-offs by policy year, class, coverage and separately by CPAI, high risk and others unable to obtain coverage in the voluntary market. The totals are used to verify the amount reported on the Statistical Summary Control Report.~~

~~Exhibit XX — Anticipated Salvage and Subrogation Recoverables Report~~

~~————— This quarterly report is required only if the Servicing Entity elects to reports its loss reserves and/or IBNR loss reserves to the Central Processor net of anticipated salvage and subrogation recoverables. The report detail will be used by the Central Processor to convert the Servicing Entity's reserves to a gross basis. (All reserves must be on a consistent gross basis for the Central Processor to perform its quarterly calculation of anticipated salvage and subrogation recoverables.)~~

~~The report identifies, by coverage and accident year within policy year, the~~

~~amount of anticipated salvage and subrogation recoverables netted from the quarter's reserves, separately for reported case and IBNR. The final total from the report is used to verify the amount of anticipated salvage and subrogation recoverables reported on the Statistical Summary Control Report.~~

~~**PART III. ANNUAL SERVICING ENTITY DATA PROCESSING REPORTS**~~

~~Each Servicing Entity is responsible for developing and maintaining the data required in preparing the annual Salvage and Subrogation Report, Statement of Actuarial Opinion, and Catastrophic Loss Report as described in Chapter 6, Part III.~~

~~**PART IV. QUARTERLY SERVICING ENTITY DATA PROCESSING REPORTS**~~

~~Each Servicing Entity is responsible for developing and maintaining the data required in preparing the quarterly Claim Count Reports as described in Chapter 6, Part IV.~~

Chapter 7

SERVICE ENTITY REPORTING TO THE PLAN

The Service Entity will provide to the Plan any and all information and reports required by the Plan, so that the Plan will have the information to evaluate the net results of operations for the policies written. This information and reports are preliminary and will be distributed at the earliest possible time once the Service Entity has compiled and reviewed the data. This information and reports are being released to the Plan prior to the Central Processor edit checks.

A. Ad Hoc Reporting

Operational data will be maintained and provided to the Plan upon request as follows:

1. Policy Processing Activity
 - a. New business policies issued
 - b. New business rejected or returned
 - c. Turnaround time (days to issue a policy)
 - d. Number of endorsements, cancellations, and reinstatements, and other transactions processed
2. Loss Data
 - a. Daily: Claims open, claims closed with payment, claims closed without payment
 - b. Average net claim payment (ANCP) by policy by coverage
 - c. Average net claim severity (ANCS) by policy by claimant for all coverages written.
3. Complaints

The Service Entity will maintain a complaint log for both underwriting and claims complaints. The log will be made available to the Plan upon request. All complaints will be in compliance with each state's Service Entity Agreement.

B. Month End Reporting

The following statutory compiled data will be maintained and provided to the Plan monthly.

1. Policy Processing Activity
 - a. Premium written
 - b. Surcharge written and collected
 - c. Premium Earned
 - d. Premium Unearned
 - e. Advance Premium Written
 - f. Commission written
 - g. Premium/commission charge off
 - h. Premium Taxes
2. Loss Data
 - a. Losses paid (Net of Salvage and Subrogation)
 - b. Losses Reserves
 - c. Loss Reserve Development by Policy
 - d. ALAE/Defense & Cost Containment Paid

Chapter 8

REPORTING TO THEIR INDEPENDENT STATISTICAL AGENCY

This chapter includes reporting requirements for rate making data that is necessary to meet state statutory requirements.

A. Statistical Data Reporting – Statistical Agent

Data necessary for rate making must be reported to a statistical agent in accordance with that agency's requirements.

AIPSO ~~The Central Processor~~ will receive from each statistical agent the statistical data in accordance with AIPSO's ~~the Central Processor's~~ Statistical Program, needed to establish rates.

B. Unique Company Code

Every reporting entity is assigned a company code by their statistical agent. The residual market data is reported under this number to their respective statistical agent. The number assigned by the Statistical agent is also utilized by AIPSO ~~Central Processor~~ to identify the reporting of financial and other non-ratemaking data to AIPSO ~~the Central Processor~~.

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Chapter 9

This chapter is deleted in its entirety.

~~JUP ACCOUNTING BOOKS, CONTROLS AND RECORDS~~

~~A. Accounting Ledgers~~

~~Normal ledgers for consolidation of the various Servicing Entity reports and their related chart of accounts shall be maintained along the same lines as those routinely used by an insurance carrier. Retained accounting reports submitted by the Servicing Entity shall serve as the support for entries into the JUP books.~~

~~B. Chart of Accounts~~

~~ASSETS~~

~~• Cash In Bank~~

~~Central Bank Account~~

~~Servicing Entity Bank Account~~

~~These figures will be supported by photocopies of the reconciled bank statement received from the Servicing Entity plus the JUP bank statement.~~

~~• Investments~~

~~• Accounts Receivable~~

~~• Accounts Receivable—Salvage, Subrogation, and Other Loss Recovery~~

~~• Servicing Entity—Premium Account~~

~~These figures will be supported by Servicing Entity detail records on Premiums outstanding and not collected.~~

~~Servicing Entity—All Other~~

~~Assessment Due From Member Companies~~

~~Accrued Interest Receivable~~

~~Assigned Claims Program~~

~~LIABILITIES AND NET WORTH~~

~~• Loans Payable~~

~~This is substantiated by approved loan agreement and deposit slip.~~

~~• Accrued Commission Payable—Servicing Entity~~

~~These figures will be supported by Servicing Entity detail records on commissions not paid.~~

~~• Accrued Servicing Entity Allowances Payable—Operating~~

~~• Accrued Servicing Entity Allowances Payable—Claim~~

~~• Accrued Servicing Entity Unallocated Claim Adjustment Expense Allowances Payable~~

~~• Accrued Expenses Payable~~

~~• Claim Reserves~~

~~• IBNR Claim Reserve~~

~~• Earned but Unbilled Premium Reserve~~

~~• Unearned Premium Reserves~~

~~• Premium Deficiency Reserve~~

~~• Advanced Premium Liability~~

~~• Escheat Reserve—Servicing Entity~~

~~• Outstanding Drafts—Servicing Entity~~

~~• Outstanding Drafts—Assigned Claims—Servicing Entity~~

~~• Accounts Payable~~

~~• Net Worth—Member Companies~~

~~PROFIT AND LOSS~~

~~• Miscellaneous Income~~

~~• Premiums Written~~

~~• Investment Income~~

~~• Interest Income~~

~~• Investment Expense~~

~~• Commissions Charged Off~~

~~• Commissions Written~~

~~• Claims Paid~~

~~• Salvage and Subrogation Income~~

~~• Loss Recovery Income~~

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- ~~Servicing Entity Allowances~~
 - ~~Operating~~
 - ~~Claim Expense~~
- ~~Personnel Recruitment~~
- ~~Salaries~~
- ~~Employee Relations and Welfare~~
- ~~Insurance~~
- ~~Bank Charges~~
- ~~Change in Earned but Unbilled Premium Reserve~~
- ~~Change in Loss Reserves~~
- ~~Change in Unearned Premium Reserve~~
- ~~Change in Premium Deficiency Reserve~~
- ~~Collection Expenses~~
- ~~Travel & Travel Items~~
- ~~Rent & Rent Items~~
- ~~Office Equipment Expenses~~
- ~~Legal Services~~
- ~~Furniture & Fixtures~~

The JUP will not create any Asset Accounts for furniture and fixtures and equipment. Any expenditures will be expensed in the Year they are incurred and will be shared by the member Companies on a pro-rate basis to be determined by the Central Processor. It will be the same percentage which will be used to determine a member Company's share of the JUP market.

- ~~Printing & Stationery~~
- ~~Miscellaneous Adjustments~~
- ~~Books, Subscriptions and Dues~~
- ~~Postage, & Telephone and Telegraph~~

- ~~Audit Fees~~
- ~~Taxes, Licenses and Fees~~
- ~~Central Processor Expense~~
- ~~Premiums Charged Off—Regular~~
- ~~Premiums Charged Off—CPAI~~

C. Accounting Entries to Ledger Accounts

The Central Processor will receive five monthly/quarterly reports on Servicing Entity operations from the Servicing Entity's; namely, separate Servicing Entity Monthly/Quarterly Cash Analysis reports for the depository account, the disbursement account, and the miscellaneous journal vouchers (see Exhibits G, H, and I), the Servicing Entity Statistical Summary Control report (see Exhibit Q) and the Assigned Claims Statistical Summary Control (Exhibit RR) These five reports will be the basis for the Central Processor's posting to the ledger accounts.

Some of the information included on the Monthly/Quarterly Statistical Summary Control report does not require ledger posting. The following are entries that the Central Processor will record from the monthly/quarterly reports. Servicing Entity's are not required to record the Plan transactions in the same manner as the Central Processor. However, the Servicing Entity will be required to consolidate any accounts that they use on their internal ledgers to be in the format required for the Cash Analysis, Statistical Summary, and Trial Balances. See Exhibits G, H, I, Q, and X. In addition, the Servicing Entity is required to reconcile all Subledger Activity Reports (see Exhibits Y(1) through Y(6), even if this account is not being used on the Servicing Entity's internal ledger.)

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Depository Cash Analysis (Exhibit G)

1. PREMIUM COLLECTIONS (Entry 6)		
Debit:	Cash in Bank—Servicing Entity	\$40,000
	Credit: Servicing Entity—Premium Receivable	\$40,000
2. PREMIUM INSTALLMENT FEES (Entry 7)		
Debit:	Cash in Bank—Servicing Entity	400
	Credit: Servicing Entity—Premium Receivable	400
3. POLICYHOLDER RETURNED CHECK COLLECTION (Entry 8)		
Debit:	Cash in Bank—Servicing Entity	35
	Credit: Servicing Entity—Premium Receivable	35
4. OTHER LOSS RECOVERIES (Entry 9)		
Debit:	Cash in Bank—Servicing Entity	500
	Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	500
5. SALVAGE AND SUBROGATION (Entry 10)		
Debit:	Cash in Bank—Servicing Entity	500
	Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	500
6. ASSIGNED CLAIMS—SALVAGE AND SUBROGATION (Entry 11)		
Debit:	Cash in Bank—Servicing Entity	50
	Credit: Outstanding Drafts—Assigned Claims—Servicing Entity	50
7. RETURNED CHECK COLLECTION (Entry 12)		
Debit:	Cash in Bank—Servicing Entity	20
	Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	20
8. REFUND OF CLAIM PAYMENT (Entry 13)		
Debit:	Cash in Bank—Servicing Entity	200
	Credit: Outstanding Drafts—Servicing Entity	200
9. RETURN COMMISSIONS (Entry 14)		
Debit:	Cash in Bank—Servicing Entity	500
	Credit: Commission Payable—Servicing Entity	500
10. ESCHEAT CHECKS (Entry 15)		
Debit:	Cash in Bank—Servicing Entity	50
	Credit: Escheat Reserve—Servicing Entity	50
11. INTEREST RECOVERY (Entry 16)		
Debit:	Cash in Bank—Servicing Entity	50
	Credit: Interest Income	50

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~~21. ESCHEAT CHECKS (Entry 8)~~

Debit:	Cash in Bank—Servicing Entity	\$1,000
	Credit: Escheat Reserve—Servicing Entity	\$1,000

~~22. CLAIM CHECKS ISSUED (Entry 10)~~

Debit:	Outstanding Drafts—Servicing Entity	10,000
	Credit: Cash in Bank—Servicing Entity	10,000

~~23. CLAIM DRAFTS HONORED (Entry 11)~~

Debit:	Outstanding Drafts—Servicing Entity	10,000
	Credit: Cash in Bank—Servicing Entity	10,000

~~24. REIMBURSEMENT TO VOLUNTARY CARRIER (Entry 12)~~

Debit:	Outstanding Drafts—Servicing Entity	3,000
	Credit: Cash in Bank—Servicing Entity	3,000

~~25. ASSIGNED CLAIMS DRAFTS CASHED (Entry 13)~~

Debit:	Outstanding Drafts—Assigned Claims—Servicing Entity	100
	Credit: Cash in Bank—Servicing Entity	100

~~26. DISBURSEMENT OF PRODUCER COMMISSIONS (Entry 14)~~

Debit:	Commission Payable—Servicing Entity	5,500
	Credit: Cash in Bank—Servicing Entity	5,500

~~27. DISBURSEMENT OF POLICYHOLDER REFUNDS (Entry 15)~~

Debit:	Servicing Entity—Premium Receivable	7,500
	Credit: Cash in Bank—Servicing Entity	7,500

~~28. PREMIUM INSTALLMENT FEES (Entry 16)~~

Debit:	Servicing Entity—Premium Receivable	75
	Credit: Cash in Bank—Servicing Entity	75

~~29. SALVAGE AND SUBROGATION (Entry 17)~~

Debit:	Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	10
	Credit: Cash in Bank—Servicing Entity	10

~~30. ASSIGNED CLAIMS—SALVAGE AND SUBROGATION (Entry 18)~~

Debit:	Outstanding Draft Assigned Claims—Servicing Entity	40
	Credit: Cash in Bank—Servicing Entity	40

~~31. RETURNED CHECK—PREMIUM RECEIPTS (Entry 19)~~

Debit:	Servicing Entity—Premium Receivable	40
	Credit: Cash in Bank—Servicing Entity	40

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32. RETURNED CHECK—OTHER LOSS RECOVERIES (Entry 20)

Debit:	Servicing Entity Accounts Receivable— Salvage/Subrogation and Other Loss Recovery	40
Credit:	Cash in Bank—Servicing Entity	40

33. RETURNED CHECK—SALVAGE AND SUBROGATION (Entry 21)

Debit:	Servicing Entity Accounts Receivable— Salvage/Subrogation and Other Loss Recovery	80
Credit:	Cash in Bank—Servicing Entity	80

34. DISBURSEMENT OF BANK CHARGES (Entry 22)

Debit:	Bank Charges	50
Credit:	Cash in Bank—Servicing Entity	50

35. COLLECTION FEES (Entry 23)

Debit:	Collection Expenses	20
Credit:	Cash in Bank—Servicing Entity	20

36. MISCELLANEOUS ADJUSTMENTS (Entry 25)

Debit:	Miscellaneous Adjustments	1
Credit:	Cash in Bank—Servicing Entity	1

Miscellaneous Journal Vouchers Cash Analysis (Exhibit I)

37. PREMIUM COLLECTION EXPENSES (Entries 4-5)

Debit:	Collection Expenses	20
Credit:	Servicing Entity Premium Receivable	20

38. COMMISSIONS CHARGED OFF (Entries 6-8)

Debit:	Commission Payable—Servicing Entity	12
Credit:	Commissions Charged Off—High Risk	7
Credit:	Commissions Charged Off—Other HJUP-Private	4
Credit:	Commissions Charged Off—Other HJUP-Commercial	1

39. DRAFTS CHARGED OFF (Entries 9-10)

Debit:	Outstanding Drafts—Servicing Entity	7
Credit:	Drafts Charged Off	7

40. ESCHEAT DRAFTS (Entries 11-14)

Debit:	Servicing Entity Premium Receivable	125
Debit:	Commission Payable—Servicing Entity	75
Credit:	Escheat Reserve—Servicing Entity	200

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Statistical Summary Control (Exhibit Q)

41. PREMIUMS WRITTEN-CPAI (Entry 4)			
Debit:	 Servicing Entity Premium Receivable	85,000	
	 Credit: Premiums Written-CPAI		85,000
42. PREMIUMS WRITTEN (Entries 5 and 6)			
Debit:	 Servicing Entity Premium Receivable	95,000	
	 Credit: Premiums Written		95,000
43. COMMISSIONS WRITTEN (Entry 8)			
Debit:	 Commission Expense	8,500	
	 Credit: Commission Payable		8,500
44. PREMIUM CHARGE-OFF (Entry 9)			
Debit:	 Premium Charge-Off	100	
	 Credit: Servicing Entity Premium Receivable		100
45. PREMIUM CHARGE-OFF CPAI (Entry 10)			
Debit:	 Premium Charge-Off CPAI	85,000	
	 Credit: Servicing Entity Premium Receivable		85,000
46. GROSS LOSSES PAID (Entry 12)			
Debit:	 Losses Paid	12,000	
	 Credit: Outstanding Drafts-Servicing Entity		12,000
47. OTHER LOSS RECOVERY (Entry 13)			
Debit:	 Accounts Receivable-Salvage/Subrogation and Other Loss Recovery	50	
	 Credit: Loss Recovery Income		50
48. SALVAGE/SUBROGATION (Entry 14)			
Debit:	 Accounts Receivable-Salvage/Subrogation and Other Loss Recovery	1,500	
	 Credit: Salvage/Subrogation Income		1,500
49A. ALLOCATED EXPENSE (Entry 16) (Recorded by Central Processor)			
Debit:	 Claim Service Allowance-Servicing Entity	450	
	 Credit: Outstanding Drafts-Servicing Entity		450
49B. ALLOCATED EXPENSE (Entry 16) (Recorded by Servicing Entity Only)			
Debit:	Allocated Claim Expense	450	
	 Credit: Outstanding Drafts-Servicing Entity		450

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50. ~~PRIOR UNEARNED PREMIUMS (Entry 19)~~

Debit:	Unearned Premium Reserve	20,000
	Credit: Change in Unearned Premium Reserve	20,000

51. ~~CURRENT UNEARNED PREMIUM (Entry 22)~~

Debit:	Change in Unearned Premium Reserve	21,000
	Credit: Unearned Premium Reserve	21,000

52. ~~EARNED BUT UNBILLED PREMIUM PRIOR (Entry 25)~~

Debit:	Change in Earned but Unbilled Premium Reserve	2,000
	Credit: Earned but Unbilled Premium Reserve	2,000

53. ~~EARNED BUT UNBILLED PREMIUM CURRENT (Entry 28)~~

Debit:	Earned but Unbilled Premium Reserve	1,500
	Credit: Change in Earned but Unbilled Premium Reserve	1,500

54. ~~LOSS RESERVES PRIOR (Entry 32)~~

Debit:	Outstanding Loss Reserves	25,000
	Credit: Change in Loss Reserves	25,000

55. ~~LOSS RESERVES CURRENT (Entry 33)~~

Debit:	Change in Loss Reserves	30,000
	Credit: Outstanding Loss Reserves	30,000

56. ~~IBNR RESERVES PRIOR (Entry 35)~~

Debit:	IBNR Loss Reserves	\$45,000
	Credit: Change in IBNR Loss Reserves	\$45,000

57. ~~IBNR RESERVES CURRENT (Entry 36)~~

Debit:	Change in IBNR Loss Reserves	37,000
	Credit: IBNR Loss Reserves	37,000

58. ~~ANTICIPATED SALVAGE AND SUBROGATION PRIOR CASE RESERVES (Entry 39)~~

Debit:	Outstanding Loss Reserves	1,000
	Credit: Change in Loss Reserves	1,000

59. ~~ANTICIPATED SALVAGE AND SUBROGATION PRIOR IBNR RESERVES (Entry 40)~~

Debit:	IBNR Loss Reserves	800
	Credit: Change in IBNR Loss Reserves	800

60. ~~ANTICIPATED SALVAGE AND SUBROGATION CURRENT CASE RESERVES (Entry 42)~~

Debit:	Change in Loss Reserves	1,200
	Credit: Outstanding Loss Reserves	1,200

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~~61. ANTICIPATED SALVAGE AND SUBROGATION CURRENT IBNR RESERVES (Entry 43)~~

Debit: ~~Change in IBNR Loss Reserves~~ 1,000
Credit: ~~IBNR Loss Reserves~~ 1,000

~~62. SERVICING ENTITY—OPERATING EXPENSE ALLOWANCE (Entry 49)~~

Debit: ~~Operating Expense Allowance—Servicing Entity~~ \$7,100
Credit: ~~Cash in Bank—Central Bank Account or Accrued—Servicing Entity~~
~~Operating Expense Allowance Payable~~ \$7,100

~~63. SERVICING ENTITY—NET CLAIM SERVICE ALLOWANCE (Entry 54)~~

Debit: ~~Claim Service Allowance—Servicing Entity~~ 9,706
Credit: ~~Cash in Bank—Central Bank Account or Accrued—Servicing Entity~~
~~Claim Service Allowance Payable~~ 9,706

~~Assigned Claims Statistical Summary Control (Exhibit RR)~~

~~As Recorded by the Central Processor~~

~~64. ASSIGNED CLAIMS PAID (Entry 4)~~

Debit: ~~Accounts Receivable—Assigned Claims Program~~ 3,000
Credit: ~~Outstanding Drafts—Servicing Entity—Assigned Claims~~ 3,000

~~65. ALLOCATED CLAIM EXPENSES (Entry 5)~~

Debit: ~~Accounts Receivable—Assigned Claims Program~~ 20
Credit: ~~Outstanding Drafts—Servicing Entity—Assigned Claims~~ 20

~~66. SERVICING ENTITY—UNALLOCATED CLAIM EXPENSE ALLOWANCE (Entry 8)~~

Debit: ~~Accounts Receivable—Assigned Claims Program~~ 360
Credit: ~~Accrued Servicing Entity Unallocated Claim Expense Allowance Payable~~ 360

~~Assigned Claims Statistical Summary Control (Exhibit RR)~~

~~As Recorded by the Servicing Entity~~

~~67. ASSIGNED CLAIMS PAID (Entry 4)~~

Debit: ~~Losses Paid—Assigned Claims~~ 3,000
Credit: ~~Outstanding Drafts—Servicing Entity—Assigned Claims~~ 3,000

~~68. ALLOCATED CLAIMS EXPENSES (Entry 5)~~

Debit: ~~Allocated Claim Expense—Assigned Claims~~ 20
Credit: ~~Outstanding Drafts—Servicing Entity—Assigned Claims~~ 20

~~69. CLAIM RESERVES (Entry 7)~~

Debit: ~~Change in Loss Reserves—Assigned Claims~~ 5,000
Credit: ~~Outstanding Loss Reserves—Assigned Claims~~ 5,000

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Cash in Bank S/C				Cash in Bank — JUP				Servicing Entity Premium Receivable			
(1)	40,000	35,000	(12)	(12)	35,000	25,000	(19)	(14)	200	40,000	(1)
(2)	400	20	(13)			7,100	(62)	(18)	2,000	400	(2)
(3)	35	200	(14)			9,706	(63)	(27)	7,500	35	(3)
(4)	500	1,500	(15)					(28)	75	20	(37)
(5)	500	1,500	(16)					(31)	40	100	(44)
(6)	50	1	(17)					(40)	125	85,000	(45)
(7)	20	10,000	(22)					(41)	85,000		
(8)	200	10,000	(23)					(42)	95,000		
(9)	500	3,000	(24)								
(10)	50	100	(25)								
(11)	50	5,500	(26)								
(19)	25,000	7,500	(27)								
(20)	100	75	(28)								
(21)	1,000	10	(29)								
		40	(30)								
		40	(31)								
		40	(32)								
		80	(33)								
		50	(34)								
		20	(35)								
		1	(36)								
<hr/>				<hr/>				<hr/>			
Outstanding Drafts — S/C				Losses Paid				Commissions Payable — S/C			
(22)	10,000	200	(8)	(46)	12,000			(26)	5,500	500	(9)
(23)	10,000	100	(20)					(38)	12	8,500	(43)
(24)	3,000	12,000	(46)					(40)	75		
(39)	7	450	(49)								
<hr/>				<hr/>				<hr/>			
Bank Charges				Bank Misc. Adj.				Premiums Written — CPAI			
(13)	20			(17)	1					85,000	(41)
(34)	50			(36)	1						
<hr/>				<hr/>				<hr/>			
Commission Charged Off—High Risk				Premium Written				Commission Expense			
		7	(38)			95,000	(42)	(43)	8,500		
<hr/>				<hr/>				<hr/>			
Commission Charged Off—Other HJUP—Private				Commission Charged Off—Other HJUP—Commercial							
		4	(38)			1	(38)				
<hr/>				<hr/>				<hr/>			
Interest Income											
		50	(11)								

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<u>CPAI Premiums Charged-off</u>		<u>Outstanding Drafts Assigned Claims-S.C.</u>				<u>Premiums Charged-off</u>	
(45)	85,000	(25)	100	50	(6)	(44)	100
		(30)	40	3,000	(64)		
				20	(65)		
<u>Claim Service Fee-S/C</u>		<u>Collection Expenses S.C.</u>				<u>Unallocated Claims Adjustments Expense Allowance-S.C.</u>	
(49)A	450	(35)	20			360	(66)
(63)	9,706						
<u>Escheat Reserve</u>		<u>Accounts Receivable Assigned Claims Program</u>				<u>Loss Recovery Income</u>	
	50	(10)	(64)	3,000		50	(47)
	1,000	(21)	(65)	20			
	200	(40)	(66)	360			
<u>A/R Salvage/Subrogation and Other Loss Recovery</u>		<u>Salvage/Subrogation Income</u>				<u>Drafts Charged Off</u>	
(15)	1,500	500	(4)	1,500	(48)	7	(39)
(16)	1,500	500	(5)				
(29)	10	20	(7)				
(32)	40						
(33)	80						
(47)	50						
(48)	1,500						
<u>Unearned Premium Reserve</u>		<u>Change in Unearned Premium Reserves</u>				<u>Outstanding Loss Reserves</u>	
(50)	20,000	21,000	(51)	21,000	20,000	(54)	25,000
						(55)	30,000
						(58)	1,000
							1,200
							(60)
<u>Change in Outstanding Loss Reserve</u>		<u>IBNR Loss Reserves</u>				<u>Change in IBNR Loss Reserves</u>	
(55)	30,000	25,000	(54)	(56)	45,000	37,000	(57)
(60)	1,200	1,000	(58)	(59)	800	1,000	(61)
<u>Operating Expense Allowance</u>							
(62)	7,100						
<u>Advanced Premium Collection</u>		<u>Earned but Unbilled Premium Reserve</u>				<u>Change in Earned but Unbilled Premium Reserve</u>	
	2,000	(18)	(53)	1,500	2,000	(52)	2,000
							1,500
							(53)

Chapter 9
GENERAL LEDGER JUP CENTRAL PROCESSOR—INVOICE EXPENSE APPROVAL

The Commissioner may approve invoices for expense reimbursement from the JUP accounts as follows:

A. Budgeted Expense Items

The Commissioner will annually prepare a budget of operating expenses and forward a copy of the approved budget to the Central Processor. The Commissioner has authority to approve all budgeted expense items, both of a recurring nature such as rent and of a non-recurring nature

such as a **budgeted** furniture expenditure. Expenses of this nature must be supported by an original invoice.

B. Unbudgeted Expense Items

Unbudgeted expense items must have the written approval of the Commissioner.

Chapter 10
JUP REPORTS

The JUP Central Processor will prepare, validate and distribute to proper recipients and retain all reports required for the operation of the JUP. This chapter will identify the reports currently produced by the Central Processor

A. Monthly/Quarterly And Year-to-date Reports

Monthly reports will be received from all Servicing Entity's on or before the fifteenth day of the second month following the month-end of the detail statistics/accounting entries being summary reported. ~~If a Servicing Entity has chosen the quarterly reporting option, the quarterly reports must be received on or before the fifteenth day of the second month following the quarter end of the detail statistics/accounting entries.~~ Upon receipt and verification of the various Servicing Entity/Entity monthly/quarterly reports, the JUP Central Processor will then consolidate the individual Servicing Entity's Statistical Summary Control reports (see Exhibit B Q) into two separate reports, one a current monthly summary and the other a year-to-date summary. These reports prepared by the Central processor will consolidate data reported by Servicing Entity's who reported in a given month. ~~The reports for the months of December, March, June, and September will include data reported by Servicing Entity's who elect the quarterly reporting option. The two consolidated summary reports will consist of the same elements and be in the same format as the reports submitted by the Servicing Entity.~~

The consolidated Statistical Summary Control reports will be made available quarterly to the JUP Bureau and, if requested, to any other insurance regulatory authority no later than fifteen (15) days following the receipt of the individual Servicing Entity's reports.

~~In addition to the Statistical Summary Control consolidations, other quarterly reports to be made by the JUP Central Processor will include necessary~~

~~trial balances, bank reconciliations, and quarter-end closing reports.~~

B. Quarterly Reports

Quarterly, the JUP Central Processor will prepare distribution reports to the participating members of the JUP utilizing the developed participation ratio for each member. The participation ratio is based upon written car years (private passenger) and written premium (nonprivate passenger) for the voluntary figures of the business written in the State. Liability and Physical Damage car years and premium are treated separately. The current quarter fiscal year-to-date report is due to the members no later than seventy-five (75) days after the end of the fiscal quarter being reported.

The format and specific content of these reports are covered in Chapter ~~13~~ 11 of this manual.

C. Annual JUP Fiscal Year Experience Report

The fourth current quarter report sent the participating members (as well as a year-to-date report as specified in the preceding paragraph B) will contain all necessary entries for premium, losses, income, expenses and will include Schedule "P" information that will be properly included in the respective company's Annual Statements.

This report and additional year end information is due to the participating members no later than December 15.

D. Audited Financial Statements

Copies of audited financial statements will be made available to participating members of JUP, on request. Requests for such copies should be directed to the JUP Central Processor.

Chapter 11

BASIS OF JUP EXPERIENCE DISTRIBUTION TO PARTICIPATING MEMBERS

There are two broad point areas of JUP experience distribution to participating members. They are:

1. JUP experience, by policy year, for inclusion in the Annual Statement of each member.
2. Assessments reflecting the cash flow results for all policy years combined.

Each of these two points will be separately detailed in this chapter.

A. Voluntary Experience Used in Participation Ratio Determination

Participation ratios are calculated for each policy year. The basis for these ratios is a participating company's car years of exposure or premiums in the Hawaii voluntary direct automobile insurance market for the corresponding calendar year (e.g., policy year 20X1 is allocated based upon calendar year 20X1 direct writings; policy year 20X2 is allocated based upon calendar year 20X2 direct writings).

Since the current calendar data is unavailable from statistical agents until the following November, participation ratios for the most current policy years are based upon the latest data available. These ratios will be updated when the corresponding calendar year data becomes available. This will cause a retroactive adjustment of all experience allocated based upon the prior ratio. This adjustment will take place with the reports produced for the quarter ending December.

Corrections and adjustments to a given calendar year's base data will be accepted for a period of two and one-half years from the close of the calendar year. For example, companies may submit corrections to calendar year 20X2 base data until June 30, 20X5.

B. Participation Ratio Calculation

1. Policy Year Experience Participation

Each participating member's participation ratios for a policy year shall be the ratio of the member's statewide premiums or exposure units on direct voluntary automobile

insurance business for the calendar year to the comparable statewide totals for all participating members.

- a. For private passenger non-fleet liability, the ratio shall be based on bodily injury liability car years.
- b. For private passenger physical damage, the ratio shall be based on physical damage car years, defined as (.75) (collision car years) plus (.25) (other than collision car years).
- c. For all other liability, the ratio shall be based on total automobile liability premiums reduced by voluntary private passenger non-fleet premiums and by total JUP liability premiums allocated to the participating member for the fiscal year ending September 30 of the base year.
- d. For all other physical damage, the ratio shall be based on total physical damage premiums reduced by voluntary private passenger non-fleet premiums and by total JUP physical damage premiums allocated to the participating member for the fiscal year ending September 30 of the base year.

The JUP, will then use these ratios to determine each company's share of the JUP experience. This information will then be included in each company's Annual Statement.

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2. Formulas For Policy Year Experience Distribution

The quota formulas will accomplish the following points:

- a. The magnitude of a participating member's participation ratio will be in direct proportion to its voluntary writings.
- b. Separate participation ratios will be calculated for each participating member for the following categories:
 - Private Passenger Non-Fleet—Liability (includes Personal Injury Protection)
 - Private Passenger Non-Fleet—Physical Damage
 - All Other—Liability (includes Personal Injury Protection)
 - All Other—Physical Damage.

C. **Assessment Procedure**

Guidelines for assessments, as necessary, are set forth in Chapter ~~15~~ 14 of this document.

The method of allocation will be based on the **net** receivable/payable value for all classes/coverages, beginning with the earliest open policy year. Subsequent policy years will be used as needed to exhaust the total amount of the assessment.

If only a portion of the policy year receivable/payable is necessary to complete the assessment, this amount will be pro-rated to pool within the policy year as follows: the balance necessary to complete the assessment divided by the total policy year receivable/payable times each pool receivable/payable. See the following Example 2 for illustration of the calculation of the allocation to each pool for a policy year for which only a portion of the receivable/payable is charged or credited.

If it is necessary to apply the assessment to the current year where the receivable/payable values

have not matured, the method of allocation will be based on written premiums. For example, written premiums will be used for policy year ~~20X4~~ 20X2 as the current (i.e., provisional) year. This will continue through until receivable/payable values for the quarter ending March 31, ~~20X5~~ 20X3 become available, at which time a receivable/payable value will be used for policy year ~~20X4~~ 20X2 and policy year ~~20X5~~ 20X3 written premiums will be used as the current year. See the following Examples 3 and 4 for illustration of the use of the written premium distribution in the allocation of shares of an assessment for the current year.

Due to the potential inequity in assessing a year based on written premium, an assessment or distribution will occur at least every twelve months. If no activity occurs naturally, a true-up will take place at the end of the month one year subsequent to the last activity. At this point there would be a new current year to distribute based upon written premiums. See the following Example 4 for illustration of the adjustment to true-up the allocations of shares of assessments following twelve months of no assessment activity.

Examples of this method of allocation are set forth below. Each such example represents allocations for the program as a whole. The share for each participating member is determined by multiplying its actual participation ratio for the respective policy year and pool by the amount charged or credited to that policy year and pool. It should be noted that if a company is not participating in a policy year, it will not share in the assessment for that policy year.

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Example 1

**Initial Distribution of \$1,000,000
(000 omitted)**

Year	Pool	Receivable (Payable)	Written Premium	Current Period	Prior Period	Net Due	Amount
1	A	400		400	—	400	
	B	200		200	—	200	
	C	120		120	—	120	
	D	80		80	—	80	
2	A	100		100	—	100	
	B	50		50	—	50	
	C	30		30	—	30	
	D	20		20	—	20	
3	A		100	—	—	—	
	B		50	—	—	—	
	C		30	—	—	—	
	D		20	—	—	—	
			200	1,000	0	1,000	

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Example 2

**Assessment of 2,000,000 Following Initial Distribution of \$1,000,000
(000 omitted)**

Year	Pool	Receivable (Payable)	Written Premium	Current Period	Prior Period	Net Due	Amount
1	A	(400)		(400)	400	(800)	
	B	(300)		(300)	200	(500)	
	C	(200)		(200)	120	(320)	
	D	100		100	80	20	
2*	A	200		80	100	(20)	
	B	(200)		(80)	50	(130)	
	C	(300)		(120)	30	(150)	
	D	(200)		(80)	20	(100)	
3	A	50		—	—	—	
	B	50		—	—	—	
	C	50		—	—	—	
	D	50		—	—	—	
4	A		400	—	—	—	
	B		300	—	—	—	
	C		150	—	—	—	
	D		100	—	—	—	
			950	(1,000)	1,000	(2,000)	

*SAMPLE CALCULATION

Balance necessary to complete the Assessment/Distribution x Pool Value

Policy Year Net Receivable/Payable

$$A = \frac{(200)}{(500)} \times 200 = 80$$

$$B = \frac{(200)}{(500)} \times (200) = (80)$$

$$C = \frac{(200)}{(500)} \times (300) = (120)$$

$$D = \frac{(200)}{(500)} \times (200) = (80)$$

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Example 3

**Assessment of 1,000,000 Following Initial Distribution of \$1,000,000
And Assessment of \$2,000,000
(000 omitted)**

Year	Pool	Receivable (Payable)	Written Premium	Current Period	Prior Period	Net Due	Amount
1	A	(400)		(400)	(400)	—	
	B	(300)		(300)	(300)	—	
	C	(200)		(200)	(120)	—	
	D	100		100	100	—	
2	A	200		200	80	120	
	B	(200)		(200)	(80)	(120)	
	C	(300)		(300)	(120)	(180)	
	D	(200)		(200)	(80)	(120)	
3	A	100		100	0	100	
	B	100		100	0	100	
	C	0		0	0	0	
	D	50		50	0	50	
4*	A		800	(400)	—	(400)	
	B		600	(300)	—	(300)	
	C		300	(150)	—	(150)	
	D		200	(100)	—	(100)	
			1,900	(2,000)	(1,000)	(1,000)	

The allocation of amounts to be charged to each pool for policy year 4 is determined in the same manner as illustrated in the sample calculation set forth in Example 2 above.

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Example 4

Readjustment After Twelve Months of No Activity
Prior Transactions: Initial Distribution of \$1,000,000
Assessments of \$2,000,000 and \$1,000,000
(000 omitted)

Year	Pool	Receivable (Payable)	Written Premium	Current Period	Prior Period	Net Due	Amount
1	A	(450)		(450)	(400)	(50)	
	B	(350)		(350)	(300)	(50)	
	C	(250)		(250)	(200)	(50)	
	D	50		50	100	(50)	
2	A	150		150	200	(50)	
	B	(250)		(250)	(200)	(50)	
	C	(350)		(350)	(300)	(50)	
	D	(250)		(250)	(200)	(50)	
3	A	50		50	100	(50)	
	B	50		50	100	(50)	
	C	(50)		(50)	0	(50)	
	D	0		0	50	(50)	
4*	A	200		200	(400)	600	
	B	100		100	(300)	400	
	C	(200)		(200)	(150)	(50)	
	D	(50)		(50)	(100)	50	
5*	A		600	(200)	—	(200)	
	B		300	(100)	—	(100)	
	C		240	(80)	—	(80)	
	D		60	(20)	—	(20)	
			1,900	(2,000)	(1,000)	(1,000)	

* The allocation of amounts to be charged to each pool for policy year 5 is determined in the same manner as illustrated in the sample calculation set forth in Example 2 above.

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The results with respect to member companies ~~in or~~ the runoff status or inactive member companies will be excluded from the development of distribution ratios. Refer to Chapter 16 of this document for a description of settlement of balances with member companies in these categories.

Because the “net balance receivable/payable ~~from~~ from JUP” amount includes all JUP profit and loss experience transactions for all of the policy years involved, its use as the ultimate source of assessments is completely fair and true for all participating members.

D. Nonpolicy Year Oriented Expenses and Income

Expenses and earned miscellaneous income, excluding Producer Agents Commissions and service allowances paid the Servicing Entity’s, will be separately distributed by the four (4) sharing categories, on the basis of the distribution of JUP premiums for each category. Each of the premium category totals will then be divided by the sum of all four categories premium which will develop a percentage weighing factor for each of the four categories. The single expense/income dollar amount will then be separated into four category dollar amounts by applying the calculated percentage weighing factors. The four category dollar amounts will then be distributed to the participating members in the same manner as that used to distribute policy year experience. This allocation will be subject to the retroactive adjustment procedure as set forth in paragraph A of this Chapter.

Chapter 12

BASIS OF CPAI EXPERIENCE DISTRIBUTION TO PARTICIPATING MEMBER COMPANIES

~~Experience for automobile insurance policies written for Certified Public Assistance Insureds (CPAI) policies written in accordance with the Plan of Operations, the basis of experience Chapter 2, Section E shall be allocated between companies writing private passenger and other than private passenger automobile insurance in the state and shall be proportionately shared by participating member companies.~~

~~A. Policy Years 2003 and Prior~~

~~Member companies participating in the private passenger pool will receive their proportionate share of the results for policies written for Certified Public Assistance Insureds based on participation ratios developed in accordance with Chapter 12.~~

B. Policy Years 2004 through 2007

Effective with the member participation reports for the quarter ending December 31, 2007, CPAI experience for policy years 2004 through 2007 will be retroactively re-allocated to companies writing private passenger and other than private passenger automobile insurance. CPAI operating results will be shown on a CPAI member participation report. On an ongoing basis, CPAI operating results will be allocated and re-allocated to the all companies writing automobile insurance and proportionately shared by those companies until policy years 2004 through 2007 are closed out in accordance with Chapter 17.

1. Determination of CPAI Participation Ratios

CPAI liability participation ratios shall be calculated using weighting factors and the HJUP participation ratios for private passenger and other than private passenger. Weighting factors shall be based on the proportion of the respective Hawaii calendar year voluntary automobile liability written premium for private passenger and all other to the calendar year statewide voluntary automobile liability written premium.

For the purposes of this calculation, the latest Hawaii voluntary automobile liability

~~premium data available will be used. These weighting factors will be recalculated when the corresponding calendar year voluntary automobile liability premium data becomes available.~~

2. Estimation of CPAI Experience

CPAI experience for policy years 2004 through 2007 will be estimated as a portion of total HJUP private passenger net operating results. For each policy year, a percentage will be calculated using the proportion of CPAI liability written premium to HJUP PP written premium. Using this ratio and the HJUP private passenger liability net results of operations, the amount of CPAI experience to be allocated will be determined. Allocations will include premiums written and all other experience items, excluding commissions and commission charge-offs.

3. Allocation of CPAI Experience to Companies Writing Voluntary Private Passenger and Other Than Private Passenger Automobile Insurance

Using the CPAI participation ratio calculated in accordance with (1) and the estimated amount of CPAI experience to be allocated for each line item calculated in (2), CPAI experience will be allocated to companies.

4. Future Participation in Policy Years 2004 through 2007

Estimated CPAI experience allocated to companies in the December 31, 2007 member participation reports will be adjusted quarterly based on actual data

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~~reported by Servicing Entity's for CPAI transactions.~~

For statutory accounting purposes, either of the following procedures may be followed to reflect the effect of these unique charge-offs:

A.C. Servicing Entity CPAI Data Used in Participation Ratio Policy Years 2008 and Subsequent

~~Starting with Servicing Entity/entity accounting for the 1st quarter 2008, Servicing Entity's/entity will report detail level CPAI data. CPAI experience will be allocated to companies based on actual detail CPAI data reported by the Servicing Entity's.~~

CPAI liability participation ratios shall be calculated using weighting factors and the HJUP participation ratios for private passenger and other than private passenger. Weighting factors shall be based on the proportion of the respective Hawaii calendar year voluntary automobile liability written premium for private passenger and all other to the calendar year statewide voluntary automobile liability written premium.

For the purposes of this calculation, the latest Hawaii voluntary automobile liability premium data available will be used. These weighting factors will be recalculated when the corresponding calendar year voluntary automobile liability premium data becomes available.

This process for allocation of CPAI results will ~~shall~~ be included in member participation reports starting with the quarter ending March 31, 2008. Member companies will share in CPAI results until each policy year is closed in accordance with Chapter 17.

B.D. Reporting of CPAI Charge-Offs

In addition to receiving their proportionate shares of CPAI experience ~~as indicated in A through C above~~, member companies will also receive a separate proportionate share of the unique CPAI charge-offs.

1. The reduced value of written premiums, i.e., total written premium less CPAI charge-offs, may be booked. Under this procedure, earned premiums are to be reduced by the same amount to retain consistency in the development of earned premiums.
2. The gross written premium and earned premium may be booked, with the amount of CPAI charge-offs entered as a miscellaneous expense item on in Page 10 ~~of~~ the Annual Statement. Under this procedure, a statement as to the amount by which written premiums are to be reduced for tax purposes as the result of the CPAI charge-offs is to be included with the filing of Hawaii Page 14.

Chapter 13

JUP SERVICING ENTITY ALLOWANCE SETTLEMENT PROCEDURE

The Servicing Entity will prepare the Statistical Summary Detail and Control Reports. The report will be signed by an authorized official thus indicating the validity of the report content because this report will be used as the source document for drawing the Servicing Entity monthly allowance payments.

This report is due to the JUP Central Processor on or before the fifteenth day of the second month following the month-end of the detail statistics being summarized (i.e., September 1-30 statistics are to be summarized, verified, all necessary additional entries completed and the completed report sent to be received by the Central Processor by November 15th).

A. Verification Procedure

Upon receipt of the monthly report (see Exhibit B-Q) from the Servicing Entity, the JUP Central Processor will verify for completeness and accuracy. Any anomalies in reported data will be questioned.

- ~~1. Report completeness~~
- ~~2. Report accuracy as related to prior month report pick-up entries~~
- ~~3. That the summary figures are supported by the detailed data processing reports~~
- ~~4. Mathematical fee calculation accuracy as performed by the Servicing Entity~~

The JUP Central Processor will initial and date the face of the report indicating that the preceding verification was performed.

B. Allowance Check Procedure

The Central Processor will prepare a central bank check for the allowance due the Servicing Entity. The allowance check will be mailed no later than 10 working days after receipt of the Servicing Entity's monthly report in the office of the JUP Central Processor.

The basis for the allowance amount calculation will be:

Non-CPAI

1. Ten percent (10%) of written premium in reimbursement of operating expense costs, excluding claim expense, plus

2. Claim Expense, for unallocated cost, will be reimbursed by payment of twelve percent (12%) of earned premium for the reporting period for liability coverages including BI, PD, PIP, and UM and ten percent (10%) of earned premium for the reporting period for physical damage coverages.,

CPAI

1. Six Percent (6%) of written premiums for operating costs, excluding claims expense, plus
2. Twelve percent (12%) of earned premium for the reporting period for unallocated loss adjustment expenses, for liability coverages.
3. The Servicing Entity is expected to service existing claims including all adjustment expense, until fully settled.

C. Minimum Fee

The contract between the HJUP and the Servicing Entity or TPA will determine how fees will be settled. The HJUP Central Processor needs to be informed of the agreement details to address system generated fee payments. Payment of monthly and annual minimum fees, the percentage of written premium to be paid and any settlement specifics must be communicated to the HJUP Central Processor at least 60 days in advance of any required changes.

D. Discontinuance of the Servicing Entity

A discontinuing Servicing Entity will be responsible for processing all incurred claims until such claims are fully closed, this includes assigned claims and JUP policies written as an active Servicing Entity.

Chapter 14

INSTRUCTIONS FOR PARTICIPATING MEMBERS REGARDING JUP REPORTS RECEIVED AND SHARES OF ASSESSMENTS DUE

Instructions are provided to participating members for the use of JUP reports received and for the handling of shares of assessments due.

The fiscal year for JUP books, reports and statistics for the first fiscal period will be from September 1 through September 30, 1974, and thereafter will be from October 1 through September 30. This is necessary to allow time for the JUP Central Processor to assign back to all participating members their share of all JUP experience by December 15 of each calendar year. Thus, the report distribution to participating members will allow time for the participating members to include the various experience elements, (i.e., written premium, earned premium, receivables, claims paid, claim reserves, salvage/subrogation recoveries, various JUP expenses, etc.) into their respective Annual Statements.

A. JUP Reports Received

1. Reports of JUP Experience

Quarterly, the JUP Central Processor will prepare distribution reports to the participating members of the JUP, utilizing the developed participation ratio for each member. These reports are due for release to the members no later than seventy five (75) days after the end of the fiscal quarter being reported. Separate reports will be prepared for each policy year. This manner of reporting will permit participating members to record business quarterly, if desired. In no case should recording be less frequently than annually.

Annually, the JUP Central Processor will prepare the final summary of distribution for participating members so that all necessary entries for premium, losses, income and expense, unearned premiums, loss reserves and Schedule "P" information that will be properly included in the respective participating members' Annual Statements. This report and additional year-end information is due to the members no later than December 15.

Quarterly JUP financial statements, including Balance Sheet and Operating Statement will be prepared and provided to the JUP Bureau for distribution to the Board of Governors. These reports are available to the participating members upon request.

The following exhibit descriptions reflect the format and content of JUP Experience reports as they will be received by the participating members:

Member's Participation Report (Exhibit J ~~KK~~)

Based on monthly and quarterly reports received from the Servicing Entity, the following reports will be prepared and distributed to the participating members:

a. Each Fiscal Quarter

Individual Company Participation—
Current Quarter

Private Passenger and Other than
Private Passenger, each separately, by
policy year.

Private Passenger and Other than
Private Passenger, each separately, all
policy years combined.

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b. Fiscal Year-End (Quarter Ending September 30)

Reports in the same detail as set forth above, showing individual company participation for the current quarter, total fiscal year and inception-to-date.

These reports will furnish participating members with their appropriate share of experience, relating to premiums earned, commissions written, losses incurred, etc. The reports also show net underwriting results, plus or minus net miscellaneous income and expense, and net operating results.

Also available, on request, are member's participation reports showing total JUP experience by quarter, fiscal year-to-date and inception-to-date.

The distribution of miscellaneous income and expenses will be to the policy year during which it was earned or incurred. ~~The format and content of the members participation report is set forth as Exhibit KK.~~

Summary of Member's Quarterly Participation Reports (Exhibit KL)

A report furnishes each participating member a combined summary of and its appropriate share of experience for both Private Passenger and Other Than Private Passenger. It is a consolidation of key information shown on the individual reports for each policy year.

Also available, on request, are summary participation reports showing total JUP experience by quarter, fiscal year-to-date and inception-to-date.

2. Annual Claim Count and Salvage and Subrogation Report

Annual Claim Count and Salvage and Subrogation Reports received from each of the Servicing Entity's will be consolidated by

the JUP Central Processor. Copies of the consolidated report will be distributed to member companies to provide data needed in the Annual Statement, Schedule "P".

The basis for such participation reports will be the proportion of each member company's share of paid losses for liability and physical damage coverages, as set forth on the member's participation report for the full fiscal year.

The format and content of the report is shown as Exhibit LM.

3. Recording JUP Reports by the Participating Members

Each participating member will make entries on its books as direct business, by policy year, for premiums written, earned, and unearned, investment income, losses paid and outstanding, expenses paid and incurred both general and claim.

Related money accounting entries will also be recorded. Automatically the participating member would incur its premium tax liability to be paid later. This procedure will have the effect of placing on each participating member's books its percentage participation of the overall result as of the period-ending date.

Premium taxes, and Boards, Bureaus, and Association expenses will be paid by the participating members based on their portion of the premium as reported to them by the JUP.

Each policy year will be held open on the JUP and participating members' books until closed out in accordance with Chapter ~~17~~19 of this document.

B. Assessments Due

The Central Processor is responsible for monitoring the cash position of the Plan, projecting the cash needs of the Plan, and accomplishing an assessment with the

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participating members at least on a semiannual basis. Plan assessments will be calculated in increments of \$25,000 and will be processed in the first and third calendar quarters. The first quarter semiannual assessment will be done in conjunction with the policy year true up. The Plan will also maintain an appropriate contingency fund as approved by the Board of Governors.

The distribution ratio formula (defined in Chapter ~~1112~~) will be utilized for any necessary assessments of the participating members. Any such assessment from the participating members is due and payable to the JUP Central Bank within 30 days of the postmark date of the assessment notice.

Attached hereto as Exhibit M ~~NN~~ is the format of the monthly Cash Activity Report which will set forth each participating member's share of the assessment.

1. Overdue Payments of Assessments

The criterion for determining overdue payments of assessments will be the postmark date of the payment. All payment with postmark date within 30 calendar days of the postmarked date of the assessment notice will be considered to be on time.

Participating members submitting payments with postmark dates subsequent to the 30th day following postmark date of the assessment notice will be subject to a late payment fee. That fee will be computed at the rate of 1.5% per month (.05% per day) on the unpaid balance from the due date to the postmark date of the payment. A minimum late payment fee of \$50 will apply with respect to any overdue payment under a specific assessment. Late payment fees are payable within 30 calendar days of the billing date.

The procedure for follow-up will be as follows:

- a) follow-up letter is to be sent on the 37th calendar day following the postmark date of the assessment/late payment notice relative to all payments which have not been received as of that date.
- b) A second follow-up letter is to be sent on the 15th calendar day after the first follow-up letter. This letter is to be sent to the company contact as noted in the files. A copy of that letter is to be sent to the chief financial officer of the company. If the outstanding assessment is in excess of \$10,000, contact would be made with the chief financial officer which is to be accomplished by telephone, and is to be confirmed by letter with a copy to the chief executive officer. Copies of such letters are to be directed to the Insurance Department.
- c) The Central Processor will notify the Insurance Department as to the companies which fail to accomplish payment of assessment/late payment fees by the due date.

With respect to participating members for which payment of an assessment or a late payment fee has not been received within 55 calendar days of the postmark date of the notice, a report will be submitted to the Insurance Department for appropriate action.

If, as of the time that a succeeding assessment is levied:

- a. An amount due under the prior assessment remains unpaid, the invoice under the succeeding assessment will include the amount overdue under the prior assessment. In addition, the participating member will be responsible for the late penalty fee

associated with the unpaid invoice from the due date of the original invoice until paid. The Central Processor will bill the participating member for the penalty fee.

- b. Assessment notices to any given member will be made only in amounts of \$100 or more. See the following paragraph D for this procedure.

C. Excessively Small Shares of Assessments Due

To avoid excessively minimal amounts distribution checks or assessments, no participating member will receive either a check or an assessment for less than \$100. When a monthly distribution to any member would be in an amount less than \$100, it will be entered into the JUP accounts as either a receivable or a payable for that member. The receivable/payable is a cumulative account and when the sum of multiple distributions exceeds \$100, a check or assessment will then be generated for the total accumulated amount.

D. Participating Member's Recording Assessments Paid

Separate identity of the amounts received or paid should be maintained, and it is recommended that an account titled, "Equity in Assets of the JUP" be used for this purpose. There is no necessity to maintain a physical segregation of such monies, and they may be commingled with other company funds.

Chapter 15

LATE AND/OR ERRONEOUS REPORTING BY THE SERVICING ENTITY'S

Timely submission of accurate and complete reports to the JUP Central Processor is essential to the smooth operation of the JUP and is a responsibility owed the participating members when a company agrees to become a Servicing Entity. The Servicing Entity reports must be consolidated in order to produce the Members Participation reports. This consolidation cannot occur if a Servicing Entity submits its reports late or erroneously. As a result, late and/or erroneous reporting of any and all of the monthly, quarterly, annual reports specified for submission will be considered a reporting violation and will be reported to the Servicing Entity's designated individual and the JUP Bureau.

The monthly, quarterly and annual reports submissions from the Servicing Entity's are comprised, in most instances, of multiple exhibits which are considered a single report package. Late/erroneous submission of one or more exhibits of the report package is treated as a single late/erroneous report for violation reporting.

A. Method of Determining a Late Submission

Each report package submitted by a Servicing Entity has a specified due date to the Central Processor as outlined in Chapters 6 and 7. In addition, the JUP Central Processor will annually publish, and distribute as a circular to all Servicing Entity's, the calendar due dates of all reports. No other notice of these due dates is required on the part of the JUP Central Processor.

1. Late Submission Violation Reporting

Violation reporting will begin starting with the first working day following the due date of the report package was due (i.e., if the report package is due November 15, any data received on November 16 or thereafter will be considered late). Saturdays, Sundays and holidays are not included when calculating the number of days late.

2. Notification Manner

The JUP Central Processor will phone or fax the Servicing Entity involved, followed by a confirmation letter, indicating that the report package is late. A copy of the confirmation letter will be sent to the Plan Manager.

The Central Processor will follow this schedule for notification of late reporting:

Notification	Timeframe
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1st	2nd working day following calendar due date
-----	---

2 nd	5th working day following calendar due date
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If the report package is not received by the 10th working day following the calendar due date, the Central Processor will contact the JUP Bureau for assistance.

3. Late Submission Penalty Fee

A penalty fee of \$100 per working day will be assessed to the Servicing Entity for each working day the report package is late. The penalty will be calculated from the date the report package was late to the receipt date at the Central Processor.

B. Method of Determining an Erroneous Submission

1. Erroneous Submission Violation Reporting

Upon receipt of each report package from the Servicing Entity, the JUP Central Processor will perform the checks outlined in

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~~Chapter 13 to determine the validity of the reporting package.~~

~~Any data file that cannot be read is considered erroneous. In addition, these submissions must comply with the specifications supplied by the Central Processor.~~

~~2. Notification Manner~~

~~If the company's detail reports do not balance to the Statistical Summary Control but the out of balance for any line is \$500 or less, and 5% or less, of the amount reported on the Statistical Summary Control, the Central Processor **will automatically** make the necessary adjustments accordingly so that the quarterly detail reports and the Statistical Summary Control Report balance. A confirmation letter indicating the Central Processor's corrections, along with the corrected report, will be provided to the Servicing Entity.~~

~~If the report package fails to meet any point of verification, after the Central Processor completes the balancing process, and the out of balance is more than \$500 or more than 5% of the amount reported, the Central Processor will fax a letter to the Servicing Entity involved, followed by a confirmation letter, indicating that the report package contains erroneous data. A copy of this letter will be sent to the Plan Manager.~~

~~The Central Processor will follow this schedule for follow up on erroneous submissions:~~

~~**Notification** **Timeframe**~~

~~1st — 2nd working day following the date of the original letter~~

~~2nd — 5th working day following the date of the original letter~~

~~If the corrected data is not received by the 10th working day following the calendar due date, the Central Processor will contact the State Insurance Commissioner for assistance.~~

~~3. Erroneous Submission Penalty Fee~~

~~A penalty fee of \$100 per working day will be assessed to the Servicing Entity for each working day the report package is erroneous. The penalty will be calculated from the due date of the report package to the date a valid correction was received. For corrections submitted through a phone call, the receipt date is the date of the phone call.~~

~~If the report package is submitted early, the penalty will be calculated from the report package due date, to the date a valid correction is received. Saturdays, Sundays, and holidays are not included when calculating the number of days the report package is erroneous.~~

~~4. Central Processor Corrections~~

~~The Central Processor **will automatically** correct the Summary Control Report to match the detail reports, if the out of balance for any line is \$500 or less, and 5% or less, of the amount reported on the Statistical Summary Control Report. In this case, a confirmation letter indicating the Central Processor's corrections, along with the corrected report, will be provided to the Servicing Entity.~~

~~The Central Processor will also correct obvious reporting errors, such as transposition errors. The Central Processor will provide the Servicing Entity with a letter outlining its proposed corrections. If the Servicing Entity agrees with the proposed correction, it should notify the Central Processor. Otherwise, the Servicing Entity will be required to submit corrected data.~~

Chapter 15

ASSIGNED CLAIMS BENEFITS

Section 431:10C-408 of the Hawaii Motor Vehicle Insurance Law specifically directs the Joint Underwriting Plan to provide for a program of assigning claims, for adjustment, to a Servicing Entity when motor vehicle insurance benefits are not available to a person who has sustained accidental harm incurred in a motor vehicle accident.

The assigned claims plan is administered by the Hawaii Joint Underwriting Plan Bureau. Claims, under the plan, are assigned on a rotating basis by the Bureau to a Servicing Entity for investigation and payment.

Each self-insurer and insurer writing motor vehicle insurance in the State of Hawaii will be assessed its equitable pro-ration of all costs and claims paid under the plan, annually.

A. Eligibility

Each person sustaining accidental harm, or his legal representative, may obtain the motor vehicle insurance benefits through the assigned claim plan whenever:

1. No insurance benefits under motor vehicle insurance policies are applicable to the accidental harm; or
2. No such insurance benefits applicable to the accidental harm can be identified; or
3. The only identifiable insurance benefits under motor vehicle insurance policies applicable to the accidental harm will not be paid in full because of financial inability of one or more self-insurers or insurers to fulfill their obligation.

Each person sustaining accidental harm shall also have the rights of claim and action against the insurer to whom the claim is assigned with reference to the mandatory public liability coverage.

Each person sustaining property damage shall also have the rights of claim and action against the insurer to whom the claim is assigned with reference to the mandatory property damage coverage.

A person, his legal representative, or survivor may be disqualified from receiving benefits through the assigned claims plan if:

1. Such person was engaged in criminal conduct as defined by the Hawaii Motor Vehicle Insurance Law; or
2. Such person was the owner or registrant of an uninsured motor vehicle in the State of Hawaii at the time of its involvement in the accident out of which such person's injury or death arose; or
3. Such person was the operator of a vehicle at the time of the accident and had reason to believe that the vehicle was uninsured.

B. Application for Benefits

A person seeking benefits under the plan (or someone in his behalf) is required to complete an application for benefits. Application forms may be secured from the Hawaii Joint Underwriting Plan Bureau. Any licensed general producer agent in the State of Hawaii may assist the applicant in the preparation of the application. Once completed, the original copy of the application is to be sent to the Hawaii Joint Underwriting Plan Bureau. One copy of the application is to be given to the applicant and one copy is to be retained by the producer agent.

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C. Processing by Hawaii JUP Bureau

So that the Servicing Entity's may fully understand the overall procedure, the actions taken by the Hawaii Joint Underwriting Plan Bureau are also summarized herein.

1. Assignment Control Register

Upon receipt of the application for benefits, the Hawaii Joint Underwriting Plan Bureau will enter the assigned claim in an Assignment Control Register. The register contains the following information:

HJUP Reference Number

Date Assigned

Servicing Entity

Accident Date

Name of Applicant

Disposition of Claim

Date Concluded

Benefits Paid

2. Notice of Assignment

Once the assigned claim has been entered in the Assignment Control Register, the Bureau will prepare a Notice of Assignment of Assigned Claims. The notice is used to notify the Servicing Entity that a claim has been assigned, ~~and notify the applicant and agent which Servicing Entity will be adjusting the claim.~~ The original copy of the notice and the application for benefits is sent to the assigned Servicing Entity. Copies of the notice are sent to the applicant and producer agent, respectively. The last copy of the notice is retained by the Bureau.

3. Bureau Claim Files

A claim file is maintained by the Bureau for each assigned claim. The file contains a photocopy of the application, a copy of the

Notice of Assignment of Assigned Claims, Notice of Assigned Claim Cost (Section D.5), and any other material pertaining to the claim. The files are **alphabetically** kept in two groups: assigned claims pending and assigned claims closed.

D. Processing by Servicing Entity

1. Assigned Claims Disbursements

The Servicing Entity is to adjust the assigned claim as if the applicant had a JUP policy with the Servicing Entity. All payments of motor vehicle insurance benefits, public liability or property damage settlements, and allocated claim expense are to be made with JUP funds in the same manner the Servicing Entity pays regular JUP claims. ~~JUP funds disbursed when assigned claims drafts are cashed are to be entered on the "Assigned Claims Drafts Cashed" line of the Servicing Entity Cash Analysis.~~

~~"Allocated Claim Expense" represents the following expenses, in connection with assigned claim settlements, which can be directly allocated to a particular claim:~~

- ~~a. Attorneys' fee for claim in suit~~
- ~~b. Court and other specific items of expense, such as~~
 - ~~• medical examinations to determine the extent of company's liability;~~
 - ~~• expert medical or other testimony;~~
 - ~~• laboratory or x ray;~~
 - ~~• autopsy;~~
 - ~~• stenographic;~~
 - ~~• witnesses and summonses;~~
 - ~~• copies of documents.~~

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The Servicing Entity shall receive an unallocated claim expense allowance for handling assigned claims. The allowance shall be computed at 12 percent of the combined paid indemnity loss.

~~Fees and expenses paid to independent adjusters or attorneys retained to provide the necessary services on assigned claims may not be paid with JUP funds. The Servicing Entity is reimbursed for these expenses with the unallocated claim expense allowance.~~

2. Assigned Claims Statistical Detail Data

The Servicing Entity is to maintain assigned claims statistical detail in the same manner as normal JUP claims data. However, the assigned claims data is maintained separately from the regular JUP claim statistical detail data and is not to be included as part of the normal JUP reporting.

3. Assigned Claims Experience Reporting

Quarterly, the Servicing Entity will prepare the Quarterly Assigned Claims Report (~~Exhibit P-QQ~~) which will transmit assigned claims statistics to the Central Processor. The Quarterly Assigned Claims Report should be submitted via web reporting ~~or magnetic media in a format specified by the JUP Central Processor~~, due within 45 days after the close of the accounting quarter. Negative reports are required when applicable.

4. Assigned Claims Statistical Summary Control

An Assigned Claims Statistical Summary Control report will be submitted by the Servicing Entity each quarter following a standard format as shown in Exhibit Q. Instructions for completion of the Assigned

Claims Statistical Summary Control are included with Exhibit Q.

The report will serve as the source document for the payment of Unallocated Claim Expense Allowances. The report will also serve as a verification control of certain key totals included in the Quarterly Assigned Claims Report in Exhibit P.

5. Closing an Assigned Claims File

When an assigned claims file is closed, the Servicing Entity must complete an entry on the Quarterly Assigned Claims Report (~~Exhibit QQ~~). This report is submitted via web reporting ~~or magnetic media in a format specified by the JUP Central Processor~~, due within 45 days after the close of the accounting quarter. Quarterly, the Central Processor will transmit the consolidated Assigned Claims report to the Hawaii JUP Bureau. This notice will be used by the Bureau to complete the Assignment Control Register, control open assignments and properly group the Bureau claim files as to their status.

E. Processing by JUP Central Processor

1. Receipt of Reports

The Central Processor must maintain a control log of Quarterly Assigned Claims Reports received from the Servicing Entity's. Follow-up on late reports should be made by the Central Processor to ensure that the reports are received on a timely basis.

2. Statistical Maintenance

The Central Processor is to maintain assigned claims statistical detail data in the same manner as normal JUP claims data. However, the assigned claims data is maintained separately from the regular JUP claim statistical detail data.

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3. Unallocated Claim Expense Allowance
Check Procedure

The Central Processor will prepare a JUP central bank check for the Unallocated Claim Expense Allowance due the Servicing Entity. The allowance check will be mailed no later than 10 calendar days after receipt of the Servicing Entity's Assigned Claims Statistical Summary Control in the office of the JUP Central Processor.

4. Sharing of Experience

The Central Processor is to accumulate the Quarterly Assigned Claims Reports received from the Servicing Entity's for the fiscal year. At the end of each fiscal year, the Central Processor is to distribute the assigned claims statistics among all self-insurers and insurers writing motor vehicle insurance in the State of Hawaii based upon a rotation for each premium dollar actually or theoretically received. Self-insurers are to be assessed based upon the total premium cost for the coverages and vehicles stated in the certificate of self-insurance, as if the self-insurer had sold such coverage at the premium rates applicable under Section 294-24 of the Hawaii Motor Vehicle Insurance Law. The Standard Format of the member's participation report with respect to assigned claims activity is shown in Exhibit P ㄈ.

5. Overdue Payments of Assessments

Payments of shares of assigned claims assessments are due to be submitted within 30 days of the postmark date of the assessment notice.

Insurers or self-insurers submitting payments with postmark dates subsequent to the twentieth day following the postmark date of the assessment notice will be subject to a late payment fee. That fee will be

computed at the rate of 1.5% per month (.05% per day) on the unpaid balance from the due date to the postmark date of the payment. A minimum late payment fee of \$50 will apply with respect to any overdue payment under a specific assessment. Late payment fees are payable within 30 calendar days of the billing date.

The procedure for follow-up will be as follows:

- a) A follow-up letter is to be sent on the 37th calendar day following the postmark date of the assessment/late payment notice relative to all payments which have not been received as of that date.
- b) A second follow-up letter is to be sent the fifteenth calendar day after the first follow-up letter.

With respect to participating members for which payment of an assessment or a late payment fee has not been received within 55 calendar days of the postmark date of the notice, a report will be submitted to the Insurance Department for appropriate action.

6. Excessively Small Shares of Assessments

To avoid excessively minimal amounts of billings, no insurer or self-insurer will receive a billing for less than \$25. When a billing would be in an amount less than \$25, the amount will be written off as a miscellaneous expense.

Chapter 16

RUN-OFF AND INSOLVENCY PROCEDURES

The following procedures will apply with respect to participating members which cease to be authorized to write automobile insurance in the State of which are declared to be insolvent:

A. Run-off Procedures

At the time of notification that a company has withdrawn from the State, a review is to be made of the company's participation ratios based upon the latest available data.

In the event that the company has developed no participation ratios or participation ratios of negligible proportions, the company is to be withdrawn from the membership list as of the time of withdrawal without any run-off consideration.

In the event that the company has developed significant participation ratios, the company is to be continued on the membership list in a run-off status through the policy year in which the withdrawal occurs.

For purposes of developing tentative participation ratios for a run-off company to apply to the policy year(s) for which the corresponding calendar year data is not available, the company is to be requested to furnish the necessary data for each such calendar year. Tentative participation ratios based on these data are to be used for that company until the data for the corresponding calendar year(s) are available from the statistical agency records.

A company in run-off status will continue to share in the results of the JUP until the final settlement of its liability to the JUP, as set forth in paragraph 1 of this Chapter.

A company in run-off status will not be subject to the payment of minimum annual membership fees.

1. Settlement of Liability

Following the preparation of the participation reports for the next quarterly period subsequent to certification of the run-off status of a member company, tentative settlement of the liability of the member company will be accomplished as follows:

The member company will be withdrawn from the cash distribution/ assessment procedure. This will be accomplished by utilizing a zero distribution ratio in the development of the cash activity report in which the distribution ratios are developed on the basis of the results through that quarterly period.

The member company will be required to settle with the JUP on the basis of its allocation of JUP experience on the inception-to-date basis through that quarter, by payment of the value of its net result of operations reduced by payments by the member company or increased by payments to the member company under prior cash activity reports. If the net result of operations is a debit value, payment is to be made to the member company in the amount of its net result of operations increased by payments by the member company or reduced by payments to the member company under prior cash activity reports.

The tentative settlement will be adjusted not less frequently than annually by billing the member company for the amount of increase in its indicated liability from the previous period or by payment to the member company of the amount of

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decrease in its indicated liability from the previous period. This adjustment will be performed through the quarterly period thirty-six months subsequent to the latest policy year in which the member company is sharing in the results of the JUP. (For example, if a member company withdraws during 20X2, the adjustment of the tentative settlement will be performed through the quarter ending December 31, 20X5). As of that adjustment, the liability of the member company will be considered to be finalized and, on settlement of the balance resulting from that adjustment, the member company will have no further liability to the JUP, or vice versa.

For participation report purposes, the allocation of experience to companies in this category will be frozen as of the time of the final settlement for each such company. Sharing of the results of the JUP among active companies subsequent to that period shall be on the basis of the total results net of allocations to companies in this category.

This same procedure will apply also with respect to inactive member companies. An inactive member company is defined as one which has retained its authorization to write automobile insurance in the state but which has had no voluntary writings in the latest calendar year for which the voluntary data are being used as the basis for participation ratios.

B. Insolvency Procedure

At the time that a Notice of Insolvency is received, proper forms for filing a claim should be secured by the Central Processor.

Filing of a claim should then be made within the time frame established by the Receiver, as follows:

The claim should include as credits, monies paid to the insolvent company, or held for

payment to the company, and as debits, all participation applicable to that company including unearned premium and loss reserves, based upon the latest available participation reports nearest to the date of insolvency. Loss reserves should include appropriate amounts established for incurred but not reported losses.

At the discretion of the Board of Governors, special procedures, as may be necessary to identify appropriate participation sharing, would be instituted by Servicing Entity's in order to identify loss developments on accidents on or prior to insolvency date. Any additional costs for providing such data will be borne by the JUP. Periodic up-dating of such data filed with the receiver will be required to reflect the most current value of the claim.

A participating member will continue to share in the results of the JUP until the policy year in which the company became insolvent is closed. When this year is closed, the ultimate settlement including outstanding losses for that participating member will be determined. Until this policy year is closed, the Plan will no longer make payments or distributions to the participating member, the liquidator or receiver. The JUP will not make payments to an insolvent company until the ultimate results of all policy years have been determined.

After a Notice of Insolvency is received, the Central Processor will maintain the net cash position of the company until the final policy year for which the company participated is closed.

Once the policy year in which the company became insolvent is closed, final settlement can be determined. If the final settlement represents an amount due the participating member, funds will be disbursed to the participating member, liquidator or receiver.

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The JUP will take into consideration any amounts previously written off or collected from the participating member in determining the final settlement.

If the final settlement represents an amount owed from the participating member, this balance will be written off to bad debt. The expense associated with this write off to bad debt will be redistributed to the remaining participating members in the Plan.

If the Central Processor receives funds from the receiver, these funds will be deposited to reduce any previously written off balances. This income will also be redistributed to the remaining participating members in the Plan.

The Plan recognizes that there may be instances when the receiver or liquidator needs to close out the receivership prior to the close out of the final policy year that the insolvent company wrote. In this case, upon notice from the receiver or liquidator, the JUP Manager will discuss with the receiver or liquidator an early settlement taking into consideration the reserves which will be paid in the future and the overall industry trends.

- maintain the net cash position of the company in the event that the company is rehabilitated;
- distribute Member's Participation Reports.

In the event that the company is rehabilitated, the Central Processor will settle any unpaid balances and resume established participation procedures.

C. Rehabilitation Procedures

After a Notice of Rehabilitation, Supervision, or Conservation is received, the Central Processor will

- continue to send the cash activity reports to the member companies who owe funds to the Plan;
- contact the Plan Manager if funds are owed to the member company to determine if the invoice should be mailed and funds disbursed;
- waive standard follow-up procedures for unpaid balances due the JUP;

Chapter 17
POLICY YEAR CLOSEOUT

Policy year data will be developed and closed out in accordance with NAIC reporting requirements

A. Closeout Procedure

1. Loss Reserves

Upon policy year closeout, all loss reserves, including IBNR, will be evaluated for that policy year as of December 31 and rolled over to the earlier accident year of the succeeding policy year. For example, if policy year 20X5 is closed out, all loss reserves, including IBNR, will be rolled over to policy year/accident year 20X6.

2. To maintain the integrity of incurred losses applicable to each policy year, the following adjustments to paid losses will be made by the Central Processor:

- a. For the closed out policy year, amounts equal to the loss reserves for each accident year, classification group and coverage are to be added to the paid losses.
- b. For the succeeding policy year, amounts equal to the loss reserves for each classification group and coverage are to be subtracted from the paid losses for the earlier accident year.

B. Subsequent Activity

1. Loss Developments

Servicing Entity's will be required to report any paid loss and loss reserve activity applicable to closed out policy years as part of the earliest open policy/accident year.

2. Policy Year Experience Reports

As of the start of the fiscal year period subsequent to the December 31 valuation as of which the closeout procedure is implemented, experience for the affected policy year will be withdrawn from the

participation reports. At that time, the inception-to-date results will be shown only for the succeeding policy year forward to the most current policy year.

C. Settlement of Liability

The ultimate liability of the participating members with respect to a closed out policy year will be each participating member's inception-to-date receivable/payable value for that policy year as set forth in the participation reports for the period immediately preceding the cycle in which the experience of the closed out policy year is to be withdrawn from the participation reports.

All cash over and above the amount of the contingency fund of the JUP Central Bank will be available for allocation to the net receivable/payable values for all classes/coverages, beginning with the earliest open policy year and subsequent policy years as needed to satisfy the liability of the policy year being settled (closeout).

1. Policy Year Closeout—Net Payable Position

If a policy year is being closed out in a net payable position, an overall distribution to member companies would be made provided there are sufficient JUP funds.

If a policy year is being closed out in a net payable position and there are insufficient JUP funds, member companies would be assessed in order to satisfy the policy year close out at the same time maintaining the JUP contingency fund at the required level.

2. Policy Year Close Out—Net Receivable Position

a. If a policy year is being closed out in a net receivable position, and there are

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sufficient JUP funds, a distribution of cash available would be made resulting in no overall assessment to member companies. The amount distributed will be a credit toward the next assessment.

- b. If a policy year is being closed out in a net receivable position and there are insufficient JUP funds, member companies would be assessed in order to satisfy the policy year close out while at the same time maintaining the JUP contingency fund at the required level. Under this procedure, the provisions of paragraph ~~C-D~~ of Chapter ~~14-15~~ of this document will apply with respect to excessively small share of the resultant assessment.

Chapter 18

BANK FAILURES—PROCEDURES TO BE FOLLOWED

When a bank failure occurs, the Federal Deposit Insurance Corporation (FDIC) takes over. The FDIC may sell the bank or they may operate the bank for some time as a federally owned bank. The funds in the bank are insured to the FDIC limit and will be available to depositors. Any amount over the limit is at risk. To mitigate this risk on HJUP funds, warning signs and public announcements should be monitored to ensure the banking relationships of the HJUP are not in jeopardy. Any warning signs should be followed up with the bank or other sources to determine if existing banking relationships should be moved to another institution.

A. Potential Bank Failures

Due to past bank failures, banking regulations and the Federal Deposit Insurance Corporation (FDIC) have put in place specific risk based analysis and capital requirements as a better way to monitor the banking industry. These changes in bank monitoring provide consumers with an early warning sign that a bank could have a financial solvency problem.

Any indication that a HJUP bank relationship could be impacted by bank failure and the loss of HJUP funds over the FDIC limit should be discussed by the HJUP Manager, the Chairperson of the Board, and the HJUP Central Processor immediately upon learning of this possibility.

B. Bank Failures

1. HJUP Depository Accounts

In the event of a bank failure, all deposits received in the name of or on behalf of HJUP business should be held for deposit until another banking arrangement can be set up. Once the new banking relationship is complete, held checks can be deposited into the new bank account. Any funds available in the bank that has failed should be withdrawn at the earliest possible instance and transferred to the new bank account.

2. HJUP Disbursement Accounts

The Servicing Entity should arrange to use their own non-HJUP funds for any additional checks that are required to be issued and any checks previously issued and presented for payment that are not honored. Any funds used for this purpose will be reimbursed including interest at the prevailing prime discount rate.

3. Central Bank Funding

In the event the HJUP requires funds, the Board of Governors has the authority to make an assessment from all members to obtain the necessary funds to operate the HJUP. This would be treated like any other assessment made by the HJUP.

A. ~~Servicing Entity Bank~~

~~In most instances, when a bank failure occurs, the government has already intervened and made announcements of the failure. This will more than likely be the first notification of the failure.~~

~~If the government states that it will guarantee all funds and that business should continue as usual, no immediate action has to be taken regarding the Servicing Entity bank account.~~

~~The decision made by the government should be relayed to both the JUP Manager and Chairman of the Board of Governors. If the government fails to state that they will guarantee all of the funds, the Servicing Entity must do the following:~~

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- ~~1. Prevent any further deposits including transfers of funds from the Central Processor.~~
- ~~2. Attempt to withdraw any funds beyond the FDIC insured guarantee limit.~~
- ~~3. Hold up issuing any further drafts.~~
- ~~4. Notify the JUP Manager and the Chairman of the Board.~~
- ~~5. Notify the Central Processor.~~
- ~~6. Immediately take steps to make other arrangements for the Servicing Entity Bank Account(s).~~
- ~~7. Determine what arrangements are required as to the amount of drafts issued and outstanding. Daily transfer of funds should only be those that are required to cover drafts presented for payment.~~

B. Central Bank

~~Follow the same steps as indicated for a Servicing Entity bank failure if the government has guaranteed all the funds.~~

~~If the government fails to state that they will guarantee all of the funds, the Central Processor must do the following:~~

- ~~1. Prevent any further deposits including transfers of funds from the Servicing Entity bank.~~
- ~~2. Attempt to withdraw any funds beyond the FDIC insured guarantee limit.~~
- ~~3. Hold up issuing any further drafts.~~
- ~~4. Notify all of the Servicing Entity's.~~

~~5. Notify the JUP Manager and the Chairman of the Board.~~

~~6. Immediately take steps to make other arrangements for the Servicing Entity Bank Account(s).~~

~~In the case of a Servicing Entity or Central Processor bank failure, the responsible person should, as quickly as possible, determine what, if any, the potential loss is. This information should be relayed to the JUP Manager and the Chairman of the Board.~~

C. Funding

~~In the event of a bank failure and funds are not available to cover transfers to the Servicing Entity bank accounts for drafts issued, the Servicing Entity should arrange to have its own funds used. Any funds used for this purpose will be reimbursed including interest at the prevailing prime discount rates.~~

~~In the event of a failure of the Central Processor's bank, the Board of Governors has the power to make an immediate assessment from all members to obtain whatever funds are necessary to operate the Central Bank should a loss occur. This would be treated like any other assessment made by the JUP.~~

D. True-Up

~~A separate true-up will be done, as soon as it is possible to quantify the entire extent of the loss, to assess the results of the "bank loss." This assessment will be based on the Written Premium total for all policy years open on the date the government announces the failure.~~

Chapter 19

~~DISCONTINUING THE SERVICING ENTITY~~

This chapter is deleted in its entirety.

~~A. Voluntary Withdrawal~~

~~The Commissioner shall determine the appropriate number of servicing entity(s) needed to write and service HJUP business and may solicit a letter of intent from each company confirming they will either continue as a Servicing Entity or intend to withdraw.~~

~~1. Letter of Intent~~

~~A company that is currently a Servicing Entity may request to discontinue acting as a Servicing Entity by submitting a letter to the Commissioner declaring the company's intent to withdraw as a Servicing Entity. The letter must contain future proposed effective dates upon which the Servicing Entity will cease writing new business and will begin non-renewal of its in-force JUP policies, including CPAI business.~~

~~In the letter of intent, the Servicing Entity must agree to~~

- ~~a) continue to write new business and renew HJUP in-force policies until the effective date of withdrawal;~~
- ~~b) provide policyholder service for in-force policies until their expiration dates and handle all claims until conclusion;~~
- ~~c) comply with the requirements shown in Accounting and Statistical Requirements Manual — Chapter 21 — Discontinuing Servicing Entity's; and~~

- ~~d) submit a draft non-renewal notice based on a prescribed template to the Commissioner for review if their request for withdrawal is approved.~~

~~The letter of intent must be submitted in duplicate and be signed by an officer of the company. It must also contain a blank line where the Commissioner can affix a signature signifying approval of the company's request to discontinue acting as a Servicing Entity.~~

~~The Commissioner will acknowledge in a timely manner each Servicing Entity letter of intent received requesting to discontinue as an active Servicing Entity. The Commissioner will provide written notification of the action taken regarding each request, as described below.~~

~~If the company's request for withdrawal is approved, the Commissioner will sign and date the company's letters signifying approval of their request and return one copy to the Servicing Entity. The Servicing Entity will be advised that they can cease writing new business 90 calendar days following the date of approval by the Commissioner or on the date specified in their letter. In addition, the Servicing Entity will be advised they can begin non-renewal of existing policies at expiration provided at least sixty (60) days notice of non-renewal is given. The Commissioner will provide the company with a non-renewal notice template from which the Servicing Entity will develop its non-renewal notice. A draft of the Servicing Entity's non-~~

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renewal notice must be submitted to the Commissioner for review and comment prior to its use.

If the company's request for withdrawal is not approved, the Commissioner will sign and date the letters submitted by the Servicing Entity, stamp or indicate "not approved," and provide the reason(s) for their action. One copy of the letter will be forwarded to the Servicing Entity.

2. Non-Renewal Notice Guidelines

The Commissioner will provide a non-renewal notice template for Servicing Entity use. The template will include the names and contact information for the active HJUP Servicing Entity's.

The Servicing Entity's draft non-renewal notice must be reviewed by the Commissioner and meet all of the following requirements:

- a) Written notice of non-renewal must be provided to the insured and the producer in accordance with Sections B.1.c and B.2.a, below.
- b) The notice must state that the insured may be eligible for coverage in the voluntary market and recommend that the insured investigate the availability of coverage in the voluntary market. In addition, the notice must provide information on how to reapply for HJUP coverage if the insured is unable to obtain coverage in the voluntary market.
- c) Company contact information must be provided for the active HJUP Servicing Entity's.

3. Impairments/insolvency

In the event any Servicing Entity experiences unanticipated or unusual operational difficulties that would impair its ability to continue to meet the established JUP standards, the Commissioner, at his discretion, may take such actions as deemed appropriate to alleviate these difficulties. Such actions by the Commissioner shall be taken when it is evident that the interest of the insuring public and the JUP would be served better.

The JUP shall be responsible for securing all policy files, claim files and all accounting and statistical records for reassignment as the Commissioner has established.

The succeeding Servicing Entity shall be reimbursed for servicing expenses on reassigned policies and claims in accordance with provisions approved by the Commissioner.

B. Responsibilities of Discontinuing Servicing Entity's

1. Responsibilities to Insureds/Claimants

a. Unless otherwise approved by the Commissioner, a discontinuing Servicing Entity shall ensure that all endorsement and cancellation activity, including billing and remittances and return premiums are processed until expiration of the last in-force policy from the effective date of withdrawal in accordance with the procedures described in this manual.

b. Unless otherwise approved by the Commissioner, a discontinuing Servicing Entity shall ensure to a conclusion of all claims, (including pendings, late reports, and reopens) that occurred prior to renewal, transfer or termination of the

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~~particular policy involved subsequent to the effective date of withdrawal until such claims are closed by payment, closed without payment or otherwise.~~

~~c. An insurer voluntarily withdrawing as a Servicing Entity shall provide written notification of non-renewal, approved by the Commissioner, to insureds at least (60) days prior to the expiration date of the in-force policy.~~

~~d. A insurer discontinuing to act as a Servicing Entity for reason of impairment or insolvency shall ensure notification, approved by the Commissioner, is sent to insureds of their transfer to the succeeding Servicing Entity upon renewal at least sixty (60) days prior to renewal effective date.~~

~~2. Responsibilities to Producers~~

~~a. A discontinuing Servicing Entity shall provide a copy of the non-renewal notice to the insured's producer at least sixty (60) days prior to renewal date.~~

~~b. Unless otherwise approved by the Commissioner, a discontinuing Servicing Entity shall continue to ensure monthly producer statements are prepared in accordance with the procedures described in this manual until expiration of the last in-force policy from the effective date of withdrawal.~~

~~c. A discontinuing Servicing Entity shall ensure notification, approved by the Commissioner, is sent to producers of their reassignment to a succeeding Servicing Entity.~~

~~3. Responsibilities to JUP~~

~~a. A discontinuing Servicing Entity shall ensure maintenance of depository and disbursement accounts until all in-force policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Commissioner. Depository and disbursement accounts shall be maintained in accordance with the instruction contained in this manual.~~

~~b. A discontinuing Servicing Entity shall ensure maintenance of all necessary accounting records including escheatable accounts as described in this manual until all policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Commissioner.~~

~~c. A discontinuing Servicing Entity shall continue to ensure preparation of all monthly, quarterly and annual reports as described in this manual until all policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Commissioner.~~

~~C. Compensation~~

~~A Servicing Entity receives compensation in accordance with the provisions described in this manual. A discontinuing Servicing Entity has the responsibility for servicing in-force policies for at least one year from the effective date of termination or until all policies have expired. In addition, all claims must be handled until closed. A discontinuing Servicing Entity should have established a reserve (deferred some of the income) to cover run-off expenses and as such will receive additional compensation only to the~~

~~extent that they are entitled to under the provisions described in this manual. Additionally, a Servicing Entity is responsible for returning prepaid fees when negative written premiums have occurred. These fees should be received at the Central Processor office no later than 45 days following the month end/quarter end of the detail statistics being summarized.~~

~~D. **Assigned Claims**~~

~~Unless otherwise approved by the Commissioner, a company withdrawing as a Servicing Entity in accordance with Section A.1 or 2 above shall no longer receive assigned claims as of the effective date of withdrawal.~~

~~E. **Other Reference Materials**~~

~~Discontinuing Servicing Entity's should review all JUP documents which include the Plan of Operation, Servicing Entity, contract, Accounting and Statistical Requirements Manual and Audit Guidelines.~~

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Title	Exhibit
HAWAII JUP (Other Than Assigned Claims).....	A-1
HAWAII JOINT UNDERWRITING PLAN SERVICING ENTITY STATISTICAL SUMMARY CONTROL.....	B-1
PREMIUM WRITTEN/COMMISSION WRITTEN/PREMIUM UNEARNED	C-1
LOSSES PAID/LOSS RESERVES/IBNR LOSS RESERVES	D-1
REPORT OF IN-FORCE VEHICLE COUNT AND CERTIFIED PUBLIC ASSISTANCE INSUREDS COUNT ...	E-1
ANNUAL SALVAGE AND SUBROGATION REPORT	F-1
NUMBER OF CLAIMS REPORTED/CLAIMS OUTSTANDING/CLAIMS CLOSED WITH LOSS PAYMENT/CLAIMS CLOSED WITHOUT LOSS PAYMENT	G-1
HAWAII JOINT UNDERWRITING PLAN AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES.....	H-1
EXHIBIT OF RESERVES.....	I-1
HAWAII JOINT ASSOCIATION PLAN MEMBER'S PARTICIPATION REPORT	J-1
SUMMARY OF MEMBERS QUARTERLY PARTICIPATION REPORT	K-1
ANNUAL CLAIM COUNT AND SALVAGE AND SUBROGATION REPORT	L-1
CASH ACTIVITY – SUMMARY	M-1
CASH ACTIVITY REPORT DETAIL	N-1
NOTICE OF ASSIGNMENT OF ASSIGNED CLAIM.....	O-1
QUARTERLY ASSIGNED CLAIM REPORT	P-1
ASSIGNED CLAIMS STATISTICAL SUMMARY CONTROL	Q-1
HAWAII INSURED VEHICLE CENSUS REPORT	R-1
ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT	S-1
EARNED BUT UNBILLED PREMIUM.....	T-1
PREMIUM CHARGE-OFFS	U-1
ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED CASES RESERVES /IBNR RESERVES:	V-1

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HAWAII JUP (OTHER THAN ASSIGNED CLAIMS)

CODING INSTRUCTIONS & RECORD LAYOUT - STATISTICAL SUMMARY CONTROL

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert S
ACCOUNT CODE	3	2 - 4	Insert a three position account code for the for the following accounts ONLY : 011 - Premiums Written 012 - Commissions Written 016 - Net Losses Paid 032 - Premiums Unearned Current 033 - Loss Reserves Current 044 - Allocated Claims Expense 063 - Net Salvage & Subrogation Recovered (memo entry only) 069 - Earned but Unbilled Premium Current 070 - Premium Charge-offs 084 - Total Anticipated Sal/Sub recovery included in reserves (If reserves are reported GROSS, enter zero in the amount field) 085 - Anticipated Sal/Sub recoveries included in loss reserves 086 - Anticipated Sal/Sub recoveries included in IBNR reserves 863 - Other Loss Recoveries (memo entry only) 990 - Total Fee Due Carrier DO NOT REPORT ANY ACCOUNTS O/T THOSE SPECIFIED ABOVE.
STATE CODE	2	5 - 6	Insert 52
SUFFIX CODE	2	7 - 8	Insert 05
COMPANY CODE	5	9 - 13	Insert a five position numerical reporting code
ACCOUNTING YEAR	2	15 - 16	Insert the last two positions of the accounting year.
ACCOUNTING MONTH	2	17 - 18	Insert: 01-12

EXHIBIT A-1

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**HAWAII JUP (Other Than Assigned Claims)
CODING INSTRUCTIONS & RECORD LAYOUT - STATISTICAL SUMMARY CONTROL**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
TYPE CODE	1	49	<p>Insert a one position alphabetic type code as follows:</p> <p>FOR ACCOUNT 011: C – Liability - CPAI L – Liability - O/T CPAI P – Physical Damage</p> <p>FOR ACCOUNT 032 and 069: L – Liability P – Physical Damage</p> <p>FOR ACCOUNT 070: A – Other Than CPAI C – CPAI</p> <p>FOR ACCOUNT 084: G – If reserves are reported GROSS of anticipated salvage/subrogation N – If reserves are reported NET of anticipated salvage/subrogation</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
AMOUNT	13	51 - 63	<p>Insert signed numerics in dollar and cents format with an implied decimal point. All amounts must be right justified. Zero fill high order positions.</p>
REPORT TYPE	3	71 – 73	<p>FOR ACCOUNT 713: Insert EXP – Exposures</p> <p>FOR ACCOUNT 714: Insert EXP – Exposures 011 – Premium Written 132 – Premium Earned 016 – Paid Losses 033 – Loss Reserves 034 – IBNR Loss Reserves</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>

HAWAII JUP (Other Than Assigned Claims)

STATISTICAL SUMMARY CONTROL

ID	ACCTG CODE	STATE	SUFF CODE	COMPANY CODE	ACCTG																	
					YY	MM	20	25	30	35	40											
		5		10	15			20			25			30			35			40		

TYPE CODE	AMOUNT		TYPE	TYPE			
	DOLLARS	CTS					
45	50	55	60	65	70	75	80

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**HAWAII JUP ASSIGNED CLAIMS
CODING INSTRUCTIONS & RECORD LAYOUT - STATISTICAL SUMMARY CONTROL**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert S
ACCOUNT CODE	3	2 - 4	Insert a three position account code for the following accounts only: 705 – Assigned Net Claims Paid (Excluding Allocated Claim Expenses) (current quarter) 704 – Allocated Assigned Claim Expense (current quarter) 702 – Assigned Claim Reserves (current quarter) 703 – Unallocated Assigned Claim Expense Allowance (Net Claims Paid X 12%)
STATE CODE	2	5 - 6	Insert 52
SUFFIX CODE	2	7 - 8	Insert 05
COMPANY CODE	5	9 - 13	Insert a five position numerical reporting code
ACCOUNTING YEAR	2	28 - 29	Insert last two positions of accounting year
ACCOUNTING MONTH	2	30 - 31	Insert: 03, 06, 09, 12
AMOUNT	13	51 - 63	Insert signed numerics in dollar and cents format with an implied decimal point. All amounts must be right justified. Zero fill high order positions.

EXHIBIT A-4

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**HAWAII JUP (Other Than Assigned Claims)
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert D.
ACCOUNT CODE	3	2 - 4	Insert a three position account code for the following accounts ONLY : 011 - Premiums Written 012 - Commissions Written 016 - Losses Paid 032 - Premiums Unearned - Current 033 - Loss Reserves - Current 040 - Claims Closed With Payment 041 - Claims Outstanding 042 - Claims Reported 043 - Claims Closed Without Payment 063 - Salv.& Sub. Report 069 - Earned but Unbilled Premium Current 070 - Premium Charge-offs 081 - Vehicles In-Force 085 - Anticipated Sal/Sub recoveries included in loss reserves 086 - Anticipated Sal/Sub recoveries included in IBNR reserves DO NOT REPORT ANY ACCOUNTS OTHER THAN THOSE SPECIFIED ABOVE.
STATE CODE	2	5 - 6	Insert 52
SUFFIX CODE	2	7 - 8	Insert 05
COMPANY CODE	5	9 - 13	Insert a five position numerical reporting code
ACCOUNTING YR.	2	15 - 16	Insert last two positions of the accounting year
ACCOUNTING MONTH	2	17 - 18	FOR ACCOUNTS: 011, 012, 016, 069, 070, 081 Insert: 01-12 FOR ACCOUNTS: 032, 033, 034, 040, 041, 042, 043, 085, 086, 713, 714 Insert: 03, 06, 09, 12 FOR ACCOUNT 063: Insert: 09

**HAWAII JUP (Other Than Assigned Claims)
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
POLICY YEAR	2	19 - 20	<p>INSERT THE LAST TWO POSITIONS OF THE POLICY YEAR FOR THE FOLLOWING ACCOUNTS:</p> <p>011, 012, 016, 032, 033, 034, 069, 070, 085, 086</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
ACCIDENT YEAR	2	31 - 32	<p>INSERT LAST TWO POSITIONS OF THE ACCIDENT YEAR FOR THE FOLLOWING ACCOUNTS:</p> <p>016, 033, 034, 040, 041, 042, 043, 063, 085, 086, 714</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
CLASS CODE	1	47	<p>INSERT A ONE POSITION NUMERICAL CLASS CODE AS FOLLOWS:</p> <p>FOR ACCOUNTS 011, 016, 032, 033, 034, 063, 070, 085, 086</p> <p>1 – PPNF – High Risks (Other Than CPAI) 2 – CPAI 3 – Other Than Private Passenger 5 – PPNF – Other Than High Risks (Other than CPAI)</p> <p>FOR ACCOUNT 012</p> <p>1 – PPNF – High Risks (Other Than CPAI) 3 – Other Than Private Passenger 5 – PPNF – Other Than High Risks (Other Than CPAI)</p> <p>FOR ACCOUNT 069:</p> <p>3 - Other Than Private Passenger</p> <p>FOR ACCOUNT 713:</p> <p>1 – PPNF – High Risks (Other Than CPAI) 2 – CPAI 5 – PPNF – Other Than High Risks (Other Than CPAI)</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK</p>
COVERAGE CODE	1	48	<p>LEAVE THIS FIELD BLANK FOR ACCOUNTS: 012, 063, 070, 081</p> <p>For accounts other than 012, 063, 070 and 081 insert the appropriate one position numerical coverage code as follows:</p> <p>For class 1, 3, and 5</p> <p>1 - Bodily Injury 2 - Medical Payments (see note) 3 - Property Damage 4 - Uninsured Motorist (See note) 5 - Personal Injury Protection 7 - Other Than Collision 8 - Collision</p> <p>NOTE: Medical Payments and U.M. may be reported combined with Bodily Injury.</p>

EXHIBIT A-7

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**HAWAII JUP (Other Than Assigned Claims)
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
			<p>COVERAGE CODES '2' AND '4' ARE TO BE COMBINED WITH CODE '1' FOR THE FOLLOWING ACCOUNTS:</p> <p>040, 041, 042, 043</p> <p>For class code 2 (CPAI) and accounts 011, 032, & 713</p> <p>5 – Personal Injury Protection</p> <p>For class 2 (CPAI) and accounts 016, 033, 034, 085 & 086</p> <p>1 – Bodily Injury 3 – Property Damage 5 – Personal Injury Protection</p>
TYPE CODE	1	49	<p>FOR ACCOUNT 063 and 070 ONLY: Insert a one position alphabetic type code as follows: L – Liability P – Physical Damage</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
AMOUNT 713	13	51 - 63	<p>FOR ACCOUNTS 040, 041, 042, 043, 081,</p> <p>Insert signed numerics</p> <p>FOR ACCOUNT 714 AND REPORT TYPE EXP:</p> <p>Insert signed numerics</p> <p>FOR ACCOUNT 714 AND REPORT TYPE OTHER THAN EXP:</p> <p>Insert signed numerics in dollar and cents format with implied decimal point.</p> <p>FOR ALL OTHER ACCOUNTS:</p> <p>Insert signed numerics in dollar and cents format with an implied decimal point.</p> <p>ALL AMOUNTS MUST BE RIGHT JUSTIFIED. ZERO FILL HIGH ORDER POSITIONS FOR ALL ACCOUNTS.</p>
REPORTING METHOD CODE	1	65	<p>FOR THE FOLLOWING ACCOUNTS ONLY: 040, 041, 042, 043</p> <p>INSERT A ONE POSITION REPORTING METHOD CODE AS FOLLOWS:</p> <p>1 – By Claimant 2 – By Accident</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>

EXHIBIT A-8

Hawaii Joint Underwriting Plan Servicing Entity
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**HAWAII JUP (Other Than Assigned Claims)
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
REPORT TYPE	3	71 – 73	<p>FOR ACCOUNT 713: Insert EXP – Exposures</p> <p>FOR ACCOUNT 714: Insert EXP – Exposures 011 – Premium Written 132 – Premium Earned 016 – Paid Losses 033 – Loss Reserves 034 – IBNR Loss reserves</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK</p>
IN-FORCE INDICATOR	1	74	<p>FOR ACCOUNT 081 ONLY: Insert a one position row indicator as follows:</p> <p>PPNF HIGH RISKS COUNT 1 - Current month contribution to in-force counts 2 - Net In-force counts as of the end of current month</p> <p>CPAI COUNT 3 - Current month contribution to in-force counts 4 - Net In-force counts as of the end of current month</p> <p>ALL OTHER RISKS COUNT 5 - Current month contribution to in-force counts 6 - Net In-force counts as of the end of current Month</p> <p>FOR ACCOUNT 714 ONLY: Insert a one position row indicator as follows: 1 - Trucks, Tractors, and Trailers 2 - Private Passenger Types 3 - Public Autos 4 - Other HJUP</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
IN-FORCE COLUMN	1	75	<p>FOR ACCOUNT 081 ONLY: Insert a one position column indicator as follows: 1 - PPNF Vehicles counts (class 1, 2, and 5 only) 2 - Commercial Vehicles counts (class 3 only) 3 - Commercial Policies counts (class 3 only)</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>

EXHIBIT A-9

Hawaii Joint Underwriting Plan Servicing Entity
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**HAWAII JUP ASSIGNED CLAIMS – RECORD #1
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert D.
ACCOUNT CODE	3	2 - 4	Insert 038
STATE CODE	2	5 - 6	Insert 52
SUFFIX CODE	2	7 - 8	Insert 05
COMPANY CODE	5	9 - 13	Insert a five position numerical reporting code
REFERENCE number. NUMBER	14	14 - 27	Insert the 14-position HJUP reference Left justified
ACCOUNTING YEAR	2	28 - 29	Insert last two positions of accounting year
ACCOUNTING MONTH	2	30 - 31	Insert: 03, 06, 09, 12
ACCIDENT YEAR	2	32 - 33	Insert last two position of the accident year
ACCIDENT MONTH	2	34 - 35	Insert a two position accident month
ACCIDENT DAY	2	36 - 37	Insert a two position accident day
ASSIGNED YEAR	2	38 - 39	Insert last two position of assigned year
ASSIGNED MONTH	2	40 - 41	Insert a two position assigned month
ASSIGNED DAY	2	42 - 43	Insert a two position assigned day
CONCLUDED YEAR	2	44 - 45	Insert last two position of concluded year
CONCLUDED MONTH	2	46 - 47	Insert a two position concluded month

EXHIBIT A-11

**HAWAII JUP ASSIGNED CLAIMS – RECORD #1
CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
CONCLUDED DAY	2	48 – 49	Insert a two position concluded day
PAYMENT TYPE	1	50	Insert the appropriate one position numerical coverage code as follows: 1 - Bodily Injury 3 - Property Damage 5 - Personal Injury Protection 7 - Subrogation Recovery (current quarter) 8 - Allocated Claim Expense (current quarter) 9 - Reserves for Outstanding losses (current quarter)
AMOUNT	13	51 - 63	Insert signed numerics in dollar and cents format with an implied decimal point. All amounts must be right justified. Zero fill high order positions.
CLAIM NUMBER	16	64 – 79	Insert the 16-position claim number. Left justified.
MULTI-RECORD NUMBER	1	80	Insert 1 - first record

**HAWAII JUP ASSIGNED CLAIMS - RECORD #2
 CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS**

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert D.
ACCOUNT CODE	3	2 – 4	Insert 038
STATE CODE	2	5 – 6	Insert 52
SUFFIX CODE	2	7 – 8	Insert 05
COMPANY CODE	5	9 – 13	Insert a five position numerical reporting code
REFERENCE number. NUMBER	14	14 – 27	Insert the 14-position HJUP reference Left justified
CLAIMANT NAME	35	28 – 62	Insert the insured name. Left justified.
CLAIM NUMBER	16	64 – 79	Insert the 16-position claim number. Left justified.
MUTI-RECORD NUMBER	1	80	Insert 2 - second record

Hawaii Joint Underwriting Plan Servicing Entity
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**HAWAII JOINT UNDERWRITING PLAN
SERVICING ENTITY STATISTICAL SUMMARY CONTROL**

(1)	COMPANY _____	(3) PERIOD OF _____	
			(period/year)
(2)	REPORTING NO. _____		
	PREMIUMS WRITTEN (for current period)		
	(4) Liability CPAI	\$ _____	
	(5) Liability O/T CPAI	\$ _____	
	(6) Physical Damage	\$ _____	(7) \$ _____
(8)	COMMISSIONS WRITTEN (for current period)	\$ _____	
	PREMIUM CHARGE-OFFS (for current period)		
	(9) Other than CPAI	\$ _____	
	(10) CPAI	\$ _____	(11) \$ _____
(12)	LOSSES CLAIMS PAID (gross of salvage/subrogation)(for current period)		\$ _____
(13)	OTHER LOSS RECOVERIES (for current period) <<memo entry only>>		\$ _____
(14)	NET SALVAGE /SUBROGATION INCOME (for current period) <<memo entry only>>		\$ _____
(15)	NET CLAIM <u>LOSSES</u> PAID		\$ _____
(16)	ALLOCATED LOSS CLAIM EXPENSE (for current period)		\$ _____
	PREMIUMS UNEARNED (as of previous period end)		
	(17) Liability	\$ _____	
	(18) Physical Damage	\$ _____	(19) \$ _____
	PREMIUMS UNEARNED (as of current period end)		
	(20) Liability	\$ _____	
	(21) Physical Damage	\$ _____	(22) \$ _____
	EARNED BUT UNBILLED PREMIUM (as of prior period end)		
	(23) Liability	\$ _____	
	(24) Physical Damage	\$ _____	(25) \$ _____
	EARNED BUT UNBILLED PREMIUM (as of current period end)		
	(26) Liability	\$ _____	
	(27) Physical Damage	\$ _____	(28) \$ _____
	PREMIUMS EARNED (for current period)		
	(29) Liability	\$ _____	
	(30) Physical Damage	\$ _____	(31) \$ _____
	LOSS CLAIMS RESERVES (REPORTED CASE)		
	(32) as of prior period end	\$ _____	
	(33) as of current period end	\$ _____	
	(34) Net change in <u>Loss Claim</u> Reserves		\$ _____

EXHIBIT B-1

Hawaii Joint Underwriting Plan Servicing Entity
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IBNR ~~LOSS CLAIM~~ RESERVES

(35) as of prior period end \$ _____
 (36) as of current period end \$ _____
 (37) Net change in IBNR ~~Loss Claim~~ Reserves \$ _____

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN RESERVES (If gross, enter zero)

(38) Reserves reported gross net of anticipated salvage and subrogation

ANTICIPATED SALVAGE AND SUBROGATION (as of prior fiscal quarter end)

(39) Case reserves \$ _____
 (40) IBNR reserves \$ _____ (41) \$ _____

ANTICIPATED SALVAGE AND SUBROGATION (as of current fiscal quarter end)

(42) Case reserves \$ _____
 (43) IBNR reserves \$ _____ (44) \$ _____

NET CHANGE ANTICIPATED SALVAGE AND SUBROGATION

(45) Case reserves \$ _____
 (46) IBNR reserves \$ _____ (47) \$ _____

(48) INCURRED LOSSES (for current period)

SERVICING ENTITY EXPENSE ALLOWANCE REQUESTED

(49) OPERATING AND SERVICE ALLOWANCES \$ _____

CLAIM SERVICE ALLOWANCE

(50) Entry (29) Liability x 12% \$ _____
 (51) Entry (30) Physical Damage x 10% \$ _____
 (52) Total Gross Claim Service Allowance \$ _____
 (53) Less Allocated Expense (Entry 16) \$ _____
 (54) Total Net Claim Service Allowance \$ _____
 (55) Total Allowance Due Servicing Entity \$ _____

(56) DATE SUBMITTED _____ (57) CERTIFIED BY _____

(58) TITLE _____

**INSTRUCTIONS FOR COMPLETION OF SERVICING ENTITY
STATISTICAL SUMMARY CONTROL**

- (1) Enter the name of the Servicing Entity.
- (2) Enter the four digit identification number assigned to the Servicing Entity for the identification of JUP business.
- (3) Enter the reporting period and year for which the report is prepared.
- (4) Enter the liability written premiums for the reporting period for CPAI risks subject to the composite rate.
- (5) Enter the total liability written premiums for the reporting period for other than CPAI risks and for CPAI risks effective prior to the effective date of the composite rate procedure.
- (6) Enter the total physical damage written premiums for the reporting period.
- (7) Enter the total written premiums for the reporting period. This entry must equal the sum of Entries (4), (5), and (6).
- (8) Enter the total commissions written for the reporting period.
- (9) Enter the other than CPAI premium charge-offs for the reporting period.
- (10) Enter the CPAI premium charge-offs for the reporting period.
- (11) Enter the total premium charge-offs for the reporting period. This entry must equal the sum of Entries (9) and (10).
- (12) Enter the total claims paid, gross of salvage/subrogation recoveries, for the reporting period.
- (13) Enter the total other loss recoveries for the reporting period. ~~This entry must balance to Exhibit G, Line (9).~~
- (14) Enter the total salvage and subrogation recoveries net of expenses for the reporting period. ~~This entry must balance to Exhibit G, Line (10) minus Exhibit H, Line (17).~~
- (15) Enter the total net losses paid. This entry must equal lines 12 - 13 - 14.
- (16) Enter the total allocated loss claim expense paid from JUP funds for the reporting period. ~~(This entry is to be completed only for those Servicing Entity's electing to follow the allocated claim expense optional procedure as set forth in subparagraph F of Chapter 4 of this document.) This Entry may be on an issued or cleared check basis.~~
- (17) Enter the total liability premiums unearned as of the prior period end. This entry must equal Entry (20) of the prior period's report.
- (18) Enter the total physical damage premiums unearned as of the prior period end. This entry must equal Entry (21) of the prior period's end.
- (19) Enter the total premiums unearned as of the prior period end. This entry must equal the sum of Entries (17) and (18) and also equal Entry (22) of the prior period's report.
- (20) Enter the total liability premiums unearned as of the end of the reporting period.
- (21) Enter the total physical damage premiums unearned as of the end of the reporting period.
- (22) Enter the total premiums unearned as of the end of the reporting period. This entry must equal the sum of Entries (20) and (21).
- (23) Enter the total liability earned but unbilled premiums as of the prior period end. The entry must equal Entry (26) of the prior period's report.
- (24) Enter the total physical damage earned but unbilled premiums as of the prior period end. This entry must equal Entry (27) of the prior period's report.
- (25) Enter the total earned but unbilled premiums as of the previous period end. This entry must equal the sum of Entries (23) and (24) and also equal Entry (28) of the prior period's report.
- (26) Enter the total liability earned but unbilled premium as of the end of the reporting period.
- (27) Enter the total physical damage earned but unbilled premium as of the end of the reporting period.

EXHIBIT B-3

Hawaii Joint Underwriting Plan Servicing Entity
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- (28) Enter the total earned but unbilled premium as of the end of the reporting period. This entry must equal the sum of entries (26) and (27).
- (29) Enter the total liability premiums earned for the reporting period. This entry must equal Entry (4) plus Entry (5) plus Entry (17) minus Entry (20) minus Entry (23) plus Entry (26).
- (30) Enter the total physical damage premiums earned for the reporting period. This entry must equal Entry (6) plus Entry (18) minus Entry (21) minus Entry (24) plus Entry (27).
- (31) Enter the total premiums earned for the reporting period. This entry must equal the sum of Entries (23) and (30) and also must equal Entry (7) plus Entry (19) minus Entry (22) minus Entry (25) plus Entry (28).
- (32) Enter the total loss reserves (reported case) as of the end of the prior period. This entry must equal Entry (33) of the prior period's report.
- (33) Enter the total loss reserves (reported case) as of the end of the reporting period.
- (34) Enter the net change in claim reserves (reported case) during the reporting period. This entry must equal Entry (33) minus Entry (32).
- (35) The Central Processor will report the total IBNR claim reserves as of the end of the prior period for each Servicing Entity. This entry must equal Entry (36) of the prior period's report.
- (36) The Central Processor will report the total IBNR claim reserves as of the end of the reporting period for each Servicing Entity.
- (37) Enter the net change in IBNR claim reserves during the reporting period. This entry must equal Entry (36) minus Entry (35).
- (38) The Servicing Entity must indicate whether its reserves are reported gross or net of anticipated salvage and subrogation recoverables.
- (39) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the prior fiscal quarter. This entry must equal Entry (42) of the prior fiscal quarter's report.
- (40) Enter the anticipated salvage and subrogation recoverables netted from IBNR reserves as of the prior fiscal quarter. This entry must equal Entry (43) of the prior quarter's report.
- (41) Enter the anticipated salvage and subrogation recoverables netted from reserves as of the prior fiscal quarter. This entry must equal Entry (44) of the prior quarter's report.
- (42) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the current fiscal quarter.
- (43) Enter the total anticipated salvage and subrogation recoverables netted from IBNR reserves as of the current fiscal quarter.
- (44) Enter the anticipated salvage and subrogation recoverables netted from reserves as of the current fiscal quarter.
- (45) Enter the net change in anticipated salvage and subrogation recoverables netted from case reserves during the fiscal quarter. This entry must equal Entry (42) minus Entry (39).
- (46) Enter the net change in anticipated salvage and subrogation recoverables netted from IBNR reserves during the fiscal quarter. This entry must equal Entry (43) minus Entry (40).
- (47) Enter the total net change in anticipated salvage and subrogation recoverables netted from reserves during the fiscal quarter. This entry must equal Entry (44) minus Entry (41).
- (48) Enter the total incurred losses for the reporting period. This entry must equal Entry (15) plus Entry (34) plus Entry (37) plus Entry (47).
- (49) Enter the total Operating Allowance. This amount shall be Entry (4) multiplied by 6% plus the sum of Entries (5) and (6) multiplied by 10%.
- (50) Enter the total liability Claims Service Allowance, derived by multiplying Entry (29) by 12%.
- (51) Enter the total physical damage Claims Service Allowance, derived by multiplying Entry (30) by 10%.

EXHIBIT B-4

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- (52) Enter the total gross claim service allowance. This entry must equal the sum of Entry (50) and Entry (51).
- ~~(53) Enter the amount of allocated claim expense paid with JUP funds, as shown in Entry (16). This entry may be on an issued or cleared check basis.~~
- (53) This line does not apply to a not for profit organization.
- (54) Enter the total net Claim Service Allowance. This entry must equal Entry (52) minus Entry (53).
- (55) Enter the total allowance due the Servicing Entity. This entry must equal Entry (49) plus Entry (54).
- (56) Enter the date the report is submitted to the JUP Central Processor.
- (57) Insert the signature of an authorized individual indicating approval of the report.
- (58) Enter the title of the authorized individual approving the report.

EXHIBIT B-5

HAWAII JOINT UNDERWRITING PLAN
PREMIUMS WRITTEN/COMMISSION WRITTEN/PREMIUM UNEARNED
 PERIOD _____

Company Name: _____

Company Number: _____ Date Prepared: _____

Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	

Private Passenger – High Risk

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total-High Risk**

Private Passenger-Other HJUP

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total-Other HJUP**

CPAI Risks

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Total-CPAI Risks**

Other than Private Passenger

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total-Other than Private Passenger**

Month Total*
 CPAI Total**
 Liability Total***
 Physical Damage Total****

* Total must balance to the total Premiums/Commission Written and Premium Unearned Line of Statistical Summary Control.
 ** Total must balance to the CPAI liability Premiums Written line of Statistical Summary Control.
 *** Total must balance to the high risk and other HJUP liability Premiums Written line of Statistical Summary Control
 **** Total must balance to the physical damage Premiums Written line of Statistical Summary Control.

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HAWAII JOINT UNDERWRITING PLAN

LOSSES PAID/LOSS RESERVES/IBNR LOSS RESERVES

PERIOD _____

Company Name _____

Company Number _____ Date Prepared _____

Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Policy Year 20XX		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	

Private Passenger – High Risk

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total**

Private Passenger-Other HJUP

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total**

CPAI Risks

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Total**

Other than Private Passenger

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Property Damage
- Physical Damage
 - Collision
 - Other than Collision
- Total**

Period Total*

*Total must balance to the applicable Losses Paid/Loss Reserves/IBNR Loss Reserves line of the Statistical Summary Control

HAWAII JOINT UNDERWRITING PLAN
REPORT OF IN-FORCE VEHICLE COUNT
AND CERTIFIED PUBLIC ASSISTANCE INSURED COUNT

Company _____ Period _____
(Period and Year)

Reporting No. _____

(1)
**Private Passenger
Vehicles Count**

(2)
**Commercial Vehicle
Count**

(3)
**Commercial
Policies Count****

High Risk

- A. Prior period-end net in-force count
- B. Current period contribution to in-force count
- C. Current period-end net in-force count

Certified Public Assistance Insureds

- D. Prior period -end net in-force count
- E. Current period contribution to in-force count
- F. Current period-end net in-force count

All Other*

- G. Prior period-end net in-force count
- H. Current period contribution to in-force count
- I. Current period-end net in-force count

Notes:

* To exclude private passenger high risk and certified public assistance insureds.

** Risks rated on other than the per car basis.

Date Submitted _____

Certified by _____

Title _____

ANNUAL SALVAGE AND SUBROGATION REPORT

COMPANY NAME: _____

COMPANY NUMBER: _____

DATE PREPARED: _____

Salvage and Subrogation Received in Fiscal Year Ending 9-30-XX

Private Passenger – High Risk

On Losses Incurred in*:	Liability	Physical Damage
Prior		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
Total		

Private Passenger – Other HJUP

On Losses Incurred in*:	Liability	Physical Damage
Prior		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
Total		

CPAI Risks

On Losses Incurred in*:	Liability
Prior	
19XX	
19XX	
19XX	
19XX	
19XX	
19XX	
19XX	
19XX	
19XX	
19XX	
Total	

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Other Than Private Passenger

On Losses Incurred in*:	Liability	Physical Damage
Prior		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
Total		

*Years reported for salvage and subrogation data should be in accordance with NAIC reporting requirements.

**NUMBER OF CLAIMS REPORTED/CLAIMS OUTSTANDING/CLAIMS CLOSED WITH LOSS
PAYMENT/CLAIMS CLOSED WITHOUT LOSS PAYMENT**

Fiscal Quarter Ending / /

Company Name: _____ State: _____

Company Code: _____ Date Prepared: _____

Private Passenger – High Risk

	Accident Year										
	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	Total
Bodily Injury*											
PIP											
Property Damage											
Total Liability											
Collision											
O/T Collision											
Total Physical Damage											

Private Passenger – Other HJUP

Bodily Injury*	
PIP	
Property Damage	
Total Liability	
Collision	
O/T Collision	
Total Physical Damage	

CPAI Risks

Bodily Injury*	
PIP	
Property Damage	
Total Liability	

Other Than Private Passenger

Bodily Injury*	
PIP	
Property Damage	
Total Liability	
Collision	
O/T Collision	
Total Physical Damage	

Method of counting claims: _____

Please complete the applicable sections.

*Bodily Injury should include Medical Payments and Uninsured Motorist.

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**HAWAII JOINT UNDERWRITING PLAN
AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES**

Catastrophe: _____

Quarter Ending: _____

Catastrophe Number: _____

Policy Year	Accident Date	Private Passenger Paid	Nonfleet Outstanding	Paid	All Other Outstanding
20X4					
20X4					
<hr/>					
Subtotal					
<hr/>					
20X5					
20X5					
<hr/>					
Subtotal					
<hr/>					
TOTAL PAID					
<hr/>					
TOTAL OUTSTANDING					
<hr/>					

EXHIBIT H-1

Hawaii Joint Underwriting Plan Servicing Entity
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HAWAII JOINT UNDERWRITING PLAN

EXHIBIT OF RESERVES

For Fiscal Quarter Ending _____

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Earned but Unbilled Premium Reserve						
Unearned Premium						
Loss Reserve						
IBNR Loss Reserve						
Anticipated Salvage						
Net Loss Reserves						
Premium Deficiency Reserve						

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HAWAII JOINT ASSOCIATION PLAN MEMBER'S PARTICIPATION REPORT

Fiscal Quarter Ending: _____

Policy Year 20____ Company Name _____ Company No. _____

Class/Group Ratios: A).XXXXXXXX B).XXXXXXXX

R Liability					R Physical Damage			All Cov.
A	BI	PD	No-Fault	Total	A	Coll	O/T Coll	Total
T					T			

Premiums Written
 Premiums Unearned (Prior)
 Premiums Unearned (Curr.)
 Earned but Unbilled Premium (Prior)
 Earned but Unbilled Premium (Curr.)
 Premiums Earned

CPAI Charge-Offs

Commissions
 Operating Service Fees

Losses Paid Tot. (Prior)
 Accident Year _____ (Prior)
 Accident Year _____ (Prior)

Losses Outstanding Tot. (Prior)
 Accident Year _____ (Prior)
 Accident Year _____ (Prior)

Losses Outstanding Tot.(Curr)
 Accident Year _____ (Curr.)
 Accident Year _____ (Curr.)

Losses Outstanding IBNR Tot. (Prior)
 Accident Year _____ (Prior)
 Accident Year _____ (Prior)

Losses Outstanding IBNR Tot.(Curr)
 Accident Year _____ (Curr.)
 Accident Year _____ (Curr.)

Losses Incurred Tot.
 Accident Year _____
 Accident Year _____

Claim Service Fees Tot.
 Accident Year _____
 Accident Year _____

Claim Service Fee Reserve (Prior)
 Claim Service Fee Reserve (Curr.)

Premium Deficiency Reserve (Prior)
 Premium Deficiency Reserve (Curr.)

Net Underwriting Results

Miscellaneous Expenses
 Charge Offs
 Investment Income
 All Other Misc. Income
 Net Misc. Expenses - Income
 Net Result of Operations

EXHIBIT J-1

**HAWAII JOINT UNDERWRITING PLAN
 SUMMARY OF MEMBERS QUARTERLY PARTICIPATION REPORTS**

Fiscal Quarter (or Fiscal YTD Quarter) Ending _____ Date Received _____

POLICY YEAR


20XX 20XX 20XX 20XX 20XX 20XX 20XX 20XX Total

Ledger Transactions

- Premiums Written
- Commissions Written
- Operating Service Allowance
- Claims Service Allowance
- Claims Paid
- Miscellaneous Expense
- Miscellaneous Income
- Balance Receivable/Payable
(TOTAL)
- Balance Receivable/Payable
(Withdrawn Companies)
- Balance Receivable/Payable
(Active Companies)

**Non Ledger Liability
 Transactions**

Fiscal
 YTD

- Earned but Unbilled
 Premium
- Premiums Unearned
- Claims Reserve  Case
- Basis
- IBNR Reserve
- Claim Service Fee Reserve
- Premium Deficiency
 Reserve

ANNUAL CLAIM COUNT AND SALVAGE AND SUBROGATION REPORT
Fiscal Year Ending 9/30/XX

Company Name: _____

Company Number: _____

Period
Class

Liability

Accident Year	Claims Reported	Claims Outstanding	Claims Closed with Loss Payment	Claims Closed without Loss Payment	Gross Losses Paid	Salvage and Subrogation
19XX						
19XX						
19XX						
19XX						
19XX						
19XX						

Total

Physical Damage

Accident Year	Claims Reported	Claims Outstanding	Claims Closed with Loss Payment	Claims Closed without Loss Payment	Gross Losses Paid	Salvage and Subrogation
19XX						
19XX						
19XX						
19XX						
19XX						
19XX						

Total

**HAWAII JOINT UNDERWRITING PLAN
CASH ACTIVITY REPORT DETAIL**

**DEC. / XX CASH
ACTIVITY – SUMMARY**

(Company Name And Number)

This statement contains information with respect to your company's participation in the above captioned organization. The calculations performed for your company for the above month resulted in the settlement indicated on line "J" of this statement. If line "J" so indicates, you will find with this statement a check for the full amount. If line "J" indicates an amount to be credited toward the next distribution, no settlement will be made until that time. If the calculations result in an assessment, you are required to pay the stated amount to be postmarked no later than 30 calendar days from the date of this notice. Please make the check payable to the above named organization and return the carbon copy of this statement with your payment. Failure to remit funds within 30 calendar days will result in assessment of late payment fees in accordance with the HJUP requirements.

All inquires and payments in connection with this notice should be made to:

HJUP
c/o AIPSO attn: Director of Accounting
302 Central Avenue, Johnston, RI 02919-4995

Thank you.

- A. Total net participation amount - Policy Year _____ to date
(Line _____ Column H of CA-1 Detail)..... \$
- B. Your company's participation ratio - See attached CA-1 detail.....
- C. Your company's net share - Policy Year _____ to date
(Line _____ Column H of CA-1 Detail)..... \$
- D. Your company's net share as of last period
(Line _____ Column I of CA-1 Detail) \$
- E. Your company's net share for this period
(Line _____ Column J of CA-1 Detail) \$
- F. Net settlement amount as of last period
(Line "J" from last statement) \$
- G. Assessment paid to JUP during last period \$
- H. Payments made to your company during last period..... \$
- I. Late payment fees due from last period..... \$

Net settlement (E) + (F) + (G) - (H) + (I) indicates:

- J. Cash distribution
 - Enclosed is a check for this amount** or \$
 - Amount to be paid within 40 days \$

**Alternative legend for Line J:

For Assessment Condition

- J Assessment
Pay this amount within 30 days from the date of this notice

For Small Cash Distribution or Assessment Condition

- J No Assessment or Distribution
Net Settlement is less than \$100

Hawaii Joint Underwriting Plan Servicing Entity
 Accounting and Statistical Requirements Manual
HAWAII JOINT UNDERWRITING PLAN
CASH ACTIVITY REPORT DETAIL

Policy Year	Accounts	PPNF Liab.	PPNF Phy.D.	O/T PPNF Liab.	O/T PPNF Phy.D.	All Coverages	Current Period	Previous Period	Net Due
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								
19X1	Overall Ratio Comp.								

EXHIBIT N-1

Hawaii Joint Underwriting Plan Servicing Entity
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**HAWAII JOINT UNDERWRITING PLAN
 QUARTERLY ASSIGNED CLAIM REPORT**

Quarter Ending _____

Company Name _____

Company Number _____ Date Prepared _____

HJUP Ref Num	Company Claim Number	Claim ant Name	Date of Accident	Date Assigned	Date Concluded	Bodily Injury Payment	Property Damage Payment	Personal Injury Protection Payment	Allo. Claim Expense Payment s	Subrogation Recovery	Net Paid Loss & Exp. (7) + (8) + (9) + (10) - (11)	Reserves for Outstand ing <u>Losses</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

QUARTER TOTAL

EXHIBIT P-1

Hawaii Joint Underwriting Plan Servicing Entity
Accounting and Statistical Requirements Manual

ASSIGNED CLAIMS STATISTICAL SUMMARY CONTROL

- (1) COMPANY NAME _____
- (2) COMPANY NUMBER _____ (3) QUARTER ENDED _____
- (4) CLAIMS PAID (for current quarter) NET OF SALVAGE/SUBROGATION \$ _____
- (5) ALLOCATED CLAIM EXPENSES (for current quarter) \$ _____
- (6) TOTAL CLAIMS AND ALLOCATED CLAIM EXPENSE PAID \$ _____
- (7) CLAIM RESERVES (reported case) \$ _____

SERVICING ENTITY EXPENSE ALLOWANCE REQUESTED

UNALLOCATED CLAIM EXPENSE ALLOWANCE

- (8) ENTRY (4) x 12% (allowance due servicing entity) \$ _____
- (9) DATE SUBMITTED _____ (10) CERTIFIED BY _____
- (11) TITLE _____

EXHIBIT Q-1

INSTRUCTIONS FOR COMPLETION OF ASSIGNED CLAIMS

STATISTICAL SUMMARY CONTROL

- (1) Enter the name of the servicing carrier.
- (2) Enter the four-digit identification number assigned to the servicing carrier.
- (3) Enter the reporting quarter ending month and year for which the report is prepared.
- (4) Enter the total Net Paid Loss from (columns 7 + 8 + 9 + 10 – 11) on the Quarterly Assigned Claim Report.
- (5) Enter the total for the Allocated Claim Expenses column on the Quarterly Assigned Claim Report (column 10).
- (6) Enter the total claims and allocated claim expenses paid, derived by adding entry (4) and (5).
- (7) Enter the total for the Reserve for O/S Losses column on the Quarterly Assigned Claim Report.
- (8) Enter the total unallocated claim expense allowance, derived by multiplying entry (4) by 12%.
- (9) Enter the date the report is submitted to the JUP Central Processor.
- (10) An authorized individual is to affix his signature indicating approval of the report.*
- (11) Enter the title of the authorized individual approving the report.*

*For reports submitted via electronic or magnetic media, the authorized signature and title must appear on the "Notice of Transmittal" (Exhibit P-12)

EXHIBIT Q-2

Hawaii Joint Underwriting Plan Servicing Entity
 Accounting and Statistical Requirements Manual

HAWAII INSURED VEHICLE CENSUS REPORT

For the calendar quarter ended (mm/dd/yy): _____

Company Name: _____

NAIC Company Code _____

NAIC Group Code _____

COUNTY	NUMBER OF INSURED VEHICLES			
	PRIVATE PASSENGER	MOTORCYCLE	COMMERCIAL	TOTAL
a. 01 Honolulu				0
b. 03 Maui				0
c. 04 Kauai				0
d. 05 Hawaii				0
TOTAL	0	0	0	0

Drivers Education Fund

Underwriters Fee: \$0.00 \$0.00 \$0.00 \$0.00

DEF \$0.00

DEM \$0.00

Total Due \$0.00

MVID 14-2(1) Rev. 10/18

HI2020 CENSUSREPORTV2E

EXHIBIT R-1

HAWAII JOINT UNDERWRITING PLAN – ASSIGNED CLAIMS PROGRAM

MEMBERS PARTICIPATION REPORT

Fiscal Year Ending September 30, _____

INVOICE DATE	INVOICE NUMBER	DUE DATE	AMOUNT DUE

<u>Company Code(s)/ Company Name(s)</u>	<u>Participation Ratio(s)</u>	<u>Annual Statement/ Imputed Premium(s)</u>	<u>Assessment(s)</u>
---	-----------------------------------	---	----------------------

- | | | | |
|--|--|--|----------|
| A. Total Program | | | |
| 1. Claims Paid* | | | \$ _____ |
| 2. Unallocated Claim Expense Allowance | | | \$ _____ |
| 3. Net Paid Claims and Expense (1) + (2) | | | \$ _____ |
| 4. Claim Reserves | | | |
| A. Beginning of Period | | | \$ _____ |
| B. End of Period | | | \$ _____ |
| C. Net Change in Claim Reserve (4B) – (4A) | | | \$ _____ |
| 5. Incurred Claims (A3) + (4C) | | | \$ _____ |

* Net of subrogation recoveries and including allocated loss adjustment payments.

- | | | | |
|--|--|--|----------|
| B. Members Participation | | | |
| 1. Your Company's Annual Statement/Imputed Premium | | | \$ _____ |
| 2. Statewide Annual Statement and Imputed Premium | | | \$ _____ |
| 3. Your Company's Participation Ratio (B1) / (B2) | | | _____ |
| 4. Your Company's Share (A3) * (B3) | | | \$ _____ |

CURRENT ASSESSMENT			\$ _____
UNPAID BALANCE FROM INVOICE #: _____			\$ _____
TOTAL AMOUNT DUE:			\$ _____

PLEASE REMIT THE "AMOUNT DUE" DISPLAYED ABOVE. PAYMENTS MUST BE POSTMARKED BY DUE DATE. FAILURE TO REMIT FUNDS BY DUE DATE WILL RESULT IN ASSESSMENT OF LATE PAYMENT FEES IN ACCORDANCE WITH HJUP REQUIREMENTS. THE MINIMUM LATE PAYMENT FEE IS \$50.00.

MAKE CHECK PAYABLE TO: HAWAII JOINT UNDERWRITING PLAN
 RETURN INVOICE COPY WITH CHECK TO THE REMITTANCE ADDRESS SHOWN BELOW.

REMITTANCE ADDRESS: _____ COMPANY CODE: _____

DIRECTOR OF FINANCIAL & INVESTMENT SERVICES
 HJUP C/O AIPSO
 302 CENTRAL AVENUE
 JOHNSTON, RI 02919

HAWAII JOINT UNDERWRITING PLAN

EARNED BUT UNBILLED PREMIUM

Company Name: _____

Company Number: _____ Date Prepared: _____

Policy Year	2000	2001	2002	2003	2004	2005	2006	Total
Other than Private Passenger								
Liability								
Bodily Injury								
Personal Injury Protection								
Property Damage								
Physical Damage								
Collision								
Other than Collision								
Month Total*								
Liability Total**								
Physical Damage Total***								

* Total must balance to the Earned but Unbilled Premium total on the Statistical Summary Control.

** Total must balance to the Earned but Unbilled Premium liability total on the Statistical Summary Control.

*** Total must balance to the Earned but Unbilled Premium physical damage total on the Statistical Summary Control.

EXHIBIT T-1

Hawaii Joint Underwriting Plan Servicing Entity
 Accounting and Statistical Requirements Manual

**HAWAII JOINT UNDERWRITING PLAN
 PREMIUMS CHARGE-OFFS**

Period Ending _____

Company Name _____

Company Number _____

Date Prepared _____

Policy Year	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	<u>TOTAL</u>
Private Passenger – High Risk Liability Physical Damage													
Private Passenger – Other HJUP Liability Physical Damage													
Other Than Private Passenger Liability Physical Damage													
Total*													

CPAI Risks

CPAI Charge-offs**

Period Total***

* Total must balance to the other than CPAI Premium Charge-Off entry on the Statistical Summary Control Report.

** Total must balance to the CPAI Premium Charge-Off entry on the Statistical Summary Control Report.

***Total must balance to the total Premium Charge-Off entry on the Statistical Summary Control Report.

Hawaii Joint Underwriting Plan Servicing Entity
 Accounting and Statistical Requirements Manual

HAWAII JOINT UNDERWRITING PLAN

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES AS OF _____

Company Name _____

Company Number _____ Date Prepared _____

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED CASE RESERVES/IBNR RESERVES:

	Policy Year 2007		Policy Year 2008		Policy Year 2009		Policy Year 2010		Policy Year 2011		
	Acc. Year 2007	Acc. Year 2008	Acc. Year 2008	Acc. Year 2009	Acc. Year 2009	Acc. Year 2010	Acc. Year 2010	Acc. Year 2011	Acc. Year 2010	Acc. Year 2011	Total
Private Passenger – High Risk											
Liability											
Bodily Injury											
Personal Injury Protection											
Property Damage											
Physical Damage											
Collision											
Other than Collision											
Subtotal											
Private Passenger – Other HJUP											
Liability											
Bodily Injury											
Personal Injury Protection											
Property Damage											
Physical Damage											
Collision											
Other than Collision											
Subtotal											
CPAI Risks											
Liability											
Bodily Injury											
Personal Injury Protection											
Property Damage											
Subtotal											
Other than Private Passenger											
Liability											
Bodily Injury											
Personal Injury Protection											
Property Damage											
Physical Damage											
Collision											
Other than Collision											
Subtotal											
Quarter Total*											

*Total must balance to the anticipated salvage and subrogation line of the Statistical Summary Control.

EXHIBIT V-1