

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

A G E N D A

Date: April 23, 2025

Time: 9:00 a.m.

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

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

Phone: 1-669-900-6833
Meeting ID: 891 3527 6121
Passcode: 575359

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

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

- I. Call to Order
- II. Reading of Antitrust Statement
- III. Approval of Minutes – January 16, 2025
- IV. Financial Reports from the Hawaii Joint Underwriting Plan
- V. Additional Items for Discussion

- A. Servicing Provider Update
- B. Proposal – Model Plan Amendments
- C. Proposal – Retraction of Commercial Application

VI. Next Meeting – Wednesday, July 16, 2025, 9:00 a.m.

VII. Adjournment

Public Testimony:

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

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

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

Internet Access

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

Phone Access

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

Lost Connectivity

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

Physical Meeting Location

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

January 16, 2025

BOARD OF GOVERNORS
HAWAII JOINT UNDERWRITING PLAN

Queen Liliuokalani Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street, Room 330
Honolulu, HI 96813

and

Videoconference via Zoom Meeting Application

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

Mr. Lane Nishioka called the meeting to order at 9:00 a.m.

Members Present:

Todd Feltman (State Farm)
Reid Higashi (Business Insurance Services, Inc.)
Lance Kawano (First Insurance Company of Hawaii)
Chenise Morrow-Blalock (Hawaii Independent Insurance Agents Association)
Lane Nishioka (Island Insurance)
Kim Sato (Farmers Hawaii)

Others Present:

Jerry Bump (DCCA/Insurance Division)
Kathleen Nakasone (DCCA/Insurance Division)
Rae Oda (DCCA/Insurance Division)
Claire Taise-Chee (DCCA/Insurance Division)
Thomas Assad (AIPSO)
Natalie Benkovich (AIPSO)
Alicia Hanson (AIPSO)
Victoria Ivanov (AIPSO)
Caren Kerman (AIPSO)

Members Absent:

None

II. Reading of Antitrust Statement (00:00:07)

The antitrust statement was read by Mr. Nishioka as follows:

“As members of this organization or participants in this meeting, we need to be mindful of the constraints of the antitrust laws. There shall be no discussions of agreements or concerted actions that may restrain competition. This prohibition includes the exchange of information concerning individual company rates, coverages, market practices, claims settlement practices or any other competitive aspect of an individual company’s operation. Each member or participant is obligated to speak up immediately for the purpose of preventing any discussion falling outside the bounds indicated.”

III. Approval of Minutes (00:03:54)

Mr. Feltman moved to approve the meeting minutes from November 8, 2024. Ms. Sato seconded the motion. With no members objecting, the motion passed unanimously.

IV. Financial Reports from the Hawaii Joint Underwriting Plan (00:04:40)

Reviewing the cash flow projection prepared by AIPSO, Mr. Bump noted that there does not appear to be a need for an assessment to be made at this time. Mr. Higashi asked if there are any known open large claims that might impact the projection. Following discussion, Mr. Assad said that AIPSO will do an analysis of claims activity over the past year compared to prior claims activity and see if there appears to be anything extraordinary and add it to the analysis for next quarter.

V. Items for Discussion

A. Servicing Provider Update (00:14:11)

Ms. Kernan presented the servicing provider update, noting that, with regard to days to process, AIPSO is averaging about three days for personal auto turnaround.

Ms. Benkovich provided an update after meeting with Mr. Higashi and others from his office about their concerns voiced at the last board meeting regarding the process. Ms. Benkovich said that, hoping to get feedback from as many as possible who had had experience with the process, she sent out a survey to all producers who have submitted commercial business since October 1, 2024 and that she received two responses in the week since the survey was sent out. The board members said that they can assist with trying to get more producers to

respond to the survey.

B. Proposal – Principles of Operation Commercial Provisions (00:24:07)

Ms. Hanson presented AIPSO's Principles of Operation Commercial Provisions proposal that allows AIPSO to assume the role of HJUP's servicing entity. Mr. Feltman moved to recommend to the Commissioner to approve the proposal. Ms. Blalock seconded the motion. The motion passed unanimously.

C. Proposal – Premium at Present Rates Experience Rating Plan (00:25:34)

Ms. Hanson presented AIPSO's proposal to replace the current experience rating plan with an experience rating plan that is based on current Plan premiums. Mr. Feltman moved to amend the proposal to reflect the utilization of current and future liability factors and to recommend to the Commissioner to approve the amended proposal. Ms. Sato seconded the motion. The motion passed unanimously.

VI. Next Board Meeting

Wednesday, April 16, 2025 at 9:00 a.m.

VII. Adjournment (00:31:49)

The meeting was adjourned at 9:32 a.m.



March 28, 2025

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

RE: HJUP Cash Flow Projection – As of December 2024

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 \$53,119 per month, which excludes the assigned claims assessment. We have a \$3,049,007 available balance as of December 31, 2024.

AIPSO reviewed the cash position and required policy year settlements which occur when a policy year is dropped from the books. We estimated the expected outflows for the next 3 years (see attached) for both operational and policy year drop. As of December 2026, the HJUP cash balance is estimated to be \$830,143. While this projection provides a gauge of expected cash flow, it is not scientific and is not based on an actuarial review of the HJUP book of business. As a result, we feel going beyond 3 years may further distort its value.

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

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

Sincerely,

Victoria Ivanov,
Financial and Investment Services-Accounting- Supervisor

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

**HAWAII JUP
ANALYSIS OF CASH
MONTHLY BREAKDOWN
December 2023- December 2024**

	BALANCE 12/31/23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTALS
RECEIPTS:														
1 PREMIUM COLLECTIONS		116,000	77,392	119,883	164,263	75,696	158,188	342,259	160,660	74,233	112,145	111,894	183,897	1,696,510
2 COMMISSIONS RETURNED		115	0	326	691	46	16	86	4,128	127	0	0	0	5,535
3 INTEREST COLLECTED		8,563	7,354	7,437	7,328	7,728	7,399	7,694	13,859	14,441	13,337	11,264	10,776	117,180
5 ASSESSMENT INCOME		0	20,337	214,436	10,720	241	1,858,986	566,138	899	0	0	0	0	2,671,757
6 MEMBERSHIP FEE INCOME		0	0	0	0	0	0	336,000	0	0	0	0	0	336,000
7 LATE FEE INCOME		0	0	0	50	50	189	50	50	0	50	0	0	439
8 SAL/SUB& O/T-LOSS RECOVERIES		400	7,822	9,271	10,260	3,277	9,531	614	24,307	375	0	500	0	66,357
9 ASSIGN. CLAIMS SAL/SUB		150	350	250	250	250	150	250	250	150	150	150	150	2,500
10 STAT SUMMARY/INVEST INCOME-		2,771	51,942	0	12,509	1,433	0	0	13,252	1,020	3,395	0	3,284	89,606
11 GAIN/LOSS ON INVEST & AMORT		0	0	0	0	0	0	0	0	0	0	0	0	0
12 MISC INCOME-Pymt of a Distribution		0	0	0	0	0	0	2,500	0	0	0	0	0	2,500
13 RETRO ACTIVE FEE INCOME		0	0	0	0	0	0	22,623	0	0	0	37,929	0	60,552
TOTAL RECEIPTS		127,999	165,197	351,603	206,071	88,721	2,034,459	1,278,214	217,405	90,346	129,077	161,737	198,107	5,048,936
EXPENSES:														
14 POLICYHOLDERS REFUNDS		9,430	9,494	11,495	22,060	5,759	125,132	27,406	16,684	41,550	(25,504)	40,931	12,790	297,227
15 PRODUCER COMMISSIONS		12,076	2,686	3,024	5,123	8,266	6,694	8,395	22,454	10,709	6,269	16,333	(4,331)	97,698
16 CLAIMS REIM TO VOL CARR		75,297	61,818	38,783	78,353	65,336	184,756	122,995	14,082	56,075	377,291	36,294	28,343	1,139,423
17 ASSIG. CLAIMS DRAFTS CASHED		51	0	518	0	0	0	0	565	0	13,453	120,501	0	135,088
18 TRANSFERS TO S/C		0	30,788	16,514	28,389	0	0	0	0	0	0	0	0	75,691
19 SERVICING CARRIER FEES		57,170	59,212	32,933	37,734	21,657	29,150	75,708	46,858	26,411	0	164,150	44,440	595,423
20 INTEREST PAID ON INVEST/AMORT		0	0	0	0	0	0	0	0	0	0	0	0	0
21 ASSESSMENT DISTRIBUTION		0	0	0	0	0	0	761,903	50,414	0	12,363	366	0	825,046
22 AIPSO-S/R & C/P FEES & OTHER		91,638	196,913	66,955	78,947	65,995	72,844	87,720	54,262	114,239	34,153	119,890	67,259	1,050,815
TOTAL EXPENSES		245,662	360,911	170,222	250,606	167,013	418,576	1,084,127	205,319	248,984	418,025	498,465	148,501	4,216,411
NET CASH FLOW - INCL ASST INCOME		(117,663)	(195,714)	181,381	(44,535)	(78,292)	1,615,883	194,087	12,086	(158,638)	(288,948)	(336,728)	49,606	832,525
NET CASH FLOW - EXCL ASST INCOME		(117,663)	(216,051)	(33,055)	(55,255)	(78,533)	(243,103)	389,852	61,601	(158,638)	(276,585)	(336,362)	49,606	(1,014,186)
ENDING CASH & INVESTMENTS	2,198,808	2,081,145	1,885,431	2,066,812	2,022,277	1,943,985	3,559,868	3,753,955	3,766,041	3,607,403	3,318,455	2,981,727	3,031,333	

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

** 17,674

Actual Cash Balance as of December 2024

3,049,007

HAWAII JUP CASH FLOW PROJECTION - AS OF DECEMBER 2024

	Excl Assessments
Net Cash Flow for 12 months	Jan-24 \$ (117,663.00)
	Feb-24 \$ (216,051.00)
	Mar-24 \$ (33,055.00)
	Apr-24 \$ (55,255.00)
	May-24 \$ (78,533.00)
	Jun-24 \$ (243,103.00)
	Jul-24 \$ 389,852.00
	Aug-24 \$ 61,601.00
	Sep-24 \$ (158,638.00)
	Oct-24 \$ (276,585.00)
	Nov-24 \$ (336,362.00)
	Dec-24 \$ 49,606.00
	\$ (1,014,186.00) Sub total
Less: Commercial Expense of (29,167*12)	\$ 350,004.00
Less: Commercial Expense of (8,916.67*3)	\$ 26,750.01
	\$ (637,431.99)
	12
Average Cash Outflow per Month excluding Commercial Expense:	\$ (53,119.33)
Cash Ending Balance as of December 2024	\$ 3,049,007.00

2025	
Expected Operational Cash outflow	\$ (637,431.96)
On Island Presence-Commercial (Jan-Dec 2025) New agreement as of 10/24	\$ (107,000.00)
HJUP Commercial Quoting begins 10/01/24 Fiscal Year 2025	\$ (65,000.00)
Large Claims: First Ins (to be appealed)	\$ (300,000.00)
Large Claims: Island Ins	\$ (300,000.00)
Large Claims: State Farm	\$ -
Estimated Cash Position as of Dec 2025	\$ 1,639,575.04
2026	
Expected Operational Cash outflow	\$ (637,431.96)
On Island Presence-Commercial (Jan-Dec 2026)	\$ (107,000.00)
HJUP Commercial Quoting	\$ (65,000.00)
Estimated Cash Position as of Dec 2026	\$ 830,143.08



April 2, 2025

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

RE: HJUP - FINANCIAL STATEMENTS – QUARTER ENDING 12/31/2024

Dear Jerry:

Attached are the Hawaii Joint Underwriting Plan financial statements for the period ended **December 31, 2024**. 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 – \$449
 - Premium Deficiency Reserve - \$0
 - Servicing Carrier Fees Claim LAE- \$592
2. Also, some general ledger accounts, such as interest income, bureau expenses, bank charges, etc. are not able to be split out by the four classes due to the nature of the account activity. We have not allocated these general income and expense items on the class exhibits.
3. The class reports are provided to allow the department to review the pure results of the HJUP business by class, without distortions, which would have occurred from the allocation of some non-class specific results.

The financial statements included are as follows:

BALANCE SHEET – CONSOLIDATED

STATEMENT OF INCOME AND EXPENSES - CONSOLIDATED AND BY CLASS

STATEMENT OF OTHER THAN UNDERWRITING EXPENSES - CONSOLIDATED

QUARTERLY EXHIBIT OF RESERVES - CONSOLIDATED AND BY CLASS

QUARTERLY RESULTS OF OPERATIONS - CONSOLIDATED AND BY CLASS

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

Sincerely,



Victoria Ivanov,
Financial and Investment Services-Supervisor,

cc: Gordon Ito, HJUP
Thomas Assad, AIPSO
Kim Evangelista, AIPSO
David Maynard, AIPSO
Michelle Lapierre, AIPSO
Bethany Erno, AIPSO

Attachments

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED BALANCE SHEET
December 31, 2024

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Assets</u>		
<u>Cash (Overdraft)</u>		
Central Bank	\$ (49,227.83)	\$ (234,908.22)
Central Processor	(439.00)	-
Concentration Account	290,070.70	142,145.28
Servicing Carrier - Depository Cash	72,926.19	136,427.75
Servicing Carrier - Checks Outstanding	(96,269.16)	(96,936.37)
Servicing Carrier - Claims	(58,096.68)	(2,762.24)
Total Cash (Overdraft)	158,964.22	(56,033.80)
Investments	2,870,641.42	2,024,424.00
<u>Accounts Receivable</u>		
Servicing Carriers Premium Accounts	117,026.62	182,923.07
Cr Cards - State National	-	8,848.50
Salvage and Subrogation	-	200.00
Assigned Claims Program	479,190.99	303,560.22
Member Company	-	-
Accrued Interest	-	-
Late Payment Penalty Fees	50.00	100.00
Other	-	-
Installment Fees - State National	12.00	107.75
Due from Other JUA Plans	-	-
Total Accounts Receivable	596,279.61	495,739.54
Claim Service Fee Reserve	219,555.00	242,172.00
Total Assets	\$3,845,440.25	\$2,706,301.74
<u>Liabilities & Members' Equity (Deficit)</u>		
Loss Reserves (Incl IBNR)	\$ 1,101,691.21	\$ 1,289,639.67
Allocated LAE Reserve	6,986.03	3,610.70
Unearned Premium Reserve	1,237,374.18	1,388,323.29
Premium Deficiency Reserve	160,337.00	167,409.00
Outstanding Drafts	285,484.20	142,122.59
Outstanding Drafts - Assigned Claims	13,449.74	(15.70)
Escheat Reserves	40,838.76	64,232.76
<u>Accounts Payable</u>		
Servicing Carrier Fees- Claims	47,803.77	(5,856.44)
Servicing Carrier Fees- Operating	30,526.10	30,043.40
Unallocated Claim Expense Allowance	14,308.49	3,849.64
AIPSO	133,609.82	99,550.11
AIO	16,250.01	-
Commissions	7,853.95	6,112.33
Advanced Premium Collections	-	-
Other	(24,479.70)	(116,884.77)
Total Accounts Payable	225,872.44	16,814.27
Total Liabilities	3,072,033.56	3,072,136.58
Members' Equity (Deficit)	773,406.69	(365,834.84)
Total Liabilities & Members' Equity (Deficit)	\$3,845,440.25	\$2,706,301.74

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH DECEMBER 31, 2024

	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	\$515,161.25	\$468,528.00	\$515,161.25	\$468,528.00	\$46,633.25	9.95%
Change in Unearned Premiums	(122,498.20)	(286,181.02)	(122,498.20)	(286,181.02)	163,682.82	-57.20%
Premiums Earned	637,659.45	754,709.02	637,659.45	754,709.02	(117,049.57)	-15.51%
<u>Deductions:</u>						
Losses Paid	596,237.70	695,799.80	596,237.70	695,799.80	(99,562.10)	-14.31%
Change in Loss Reserves	(423,000.01)	(349,403.81)	(423,000.01)	(349,403.81)	(73,596.20)	21.06%
Losses Incurred	173,237.69	346,395.99	173,237.69	346,395.99	(173,158.30)	-49.99%
Allocated LAE Paid	-	-	-	-	-	0.00%
Change in Allocated LAE Reserves	4,119.60	1,278.80	4,119.60	1,278.80	2,840.80	222.15%
Allocated LAE Incurred	4,119.60	1,278.80	4,119.60	1,278.80	2,840.80	222.15%
Change in Premium Deficiency Reserve	(16,265.00)	(10,698.00)	(16,265.00)	(10,698.00)	(5,567.00)	52.04%
Servicing Carrier Fees - Claims LAE	104,004.98	96,436.37	104,004.98	96,436.37	7,568.61	7.85%
Servicing Carrier Fees - Operating	53,012.18	52,245.52	53,012.18	52,245.52	766.66	1.47%
Commissions Written	15,728.66	16,853.10	15,728.66	16,853.10	(1,124.44)	-6.67%
DMV Surcharge Fees	227.16	1,403.49	227.16	1,403.49	(1,176.33)	-83.81%
Total Underwriting Deductions	334,065.27	503,915.27	334,065.27	503,915.27	(169,850.00)	-33.71%
Net Underwriting Gain (Loss)	303,594.18	250,793.75	303,594.18	250,793.75	52,800.43	21.05%
Investment Income	35,376.58	30,341.03	35,376.58	30,341.03	5,035.55	16.60%
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	0.00	0.00	0.00	0.00%
Membership Fees	0.00	0.00	0.00	0.00	0.00	0.00%
Late Penalty Fees	-	0.00	-	0.00	-	0.00%
Commissions Charged Off	(385.25)	-	(385.25)	-	(385.25)	0.00%
Premiums Charged Off	(4,834.33)	1,032.50	(4,834.33)	1,032.50	(5,866.83)	-568.22%
Premiums Charged Off - CPAI	(210,432.00)	(221,512.00)	(210,432.00)	(221,512.00)	11,080.00	-5.00%
Fronting Co Fees - AIO HI	(870.72)	(1,238.38)	(870.72)	(1,238.38)	367.66	-29.69%
Other than Underwriting Expenses	(161,080.56)	(188,306.73)	(161,080.56)	(188,306.73)	27,226.17	-14.46%
Total Other Income (Expenses)	(377,602.86)	(410,024.61)	(377,602.86)	(410,024.61)	32,421.75	-7.91%
Net Gain (Loss)	(\$38,632.10)	(\$128,889.83)	(\$38,632.10)	(\$128,889.83)	\$90,257.73	-70.03%

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED STATEMENT OF OTHER THAN UNDERWRITING EXPENSES
YEAR TO DATE THROUGH DECEMBER 31, 2024

	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	\$ 2,500.00	\$ 2,500.00	\$ -	0.00%
Postage	624.65	0.00	624.65	0.00	624.65	0.00%
Software Equipment	19,330.59	19,111.68	19,330.59	19,111.68	218.91	1.15%
Central Processor	49,135.24	44,513.99	49,135.24	44,513.99	4,621.25	10.38%
Bank and Finance Charges	2,549.87	2,171.01	2,549.87	2,171.01	378.86	17.45%
Rate making Expense	9,011.54	0.00	9,011.54	0.00	9,011.54	0.00%
Misc Shared Resources	23,750.01	7,500.00	23,750.01	7,500.00	16,250.01	216.67%
Other	54,178.66	112,510.05	54,178.66	112,510.05	(58,331.39)	-51.85%
Total Other Than Underwriting Expenses	<u>\$ 161,080.56</u>	<u>\$ 188,306.73</u>	<u>\$ 161,080.56</u>	<u>\$ 188,306.73</u>	<u>\$ (27,226.17)</u>	<u>-14.46%</u>

**HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED EXHIBIT OF RESERVES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 1,359,872.38	\$ (122,498.20)	\$ -	\$ -	\$ -	\$ 1,237,374.18
Premium Deficiency Reserve	176,602.00	(16,265.00)	0.00	0.00	0.00	160,337.00
Loss Reserves	\$ 915,998.22	\$ (546,727.01)	\$ -	\$ -	\$ -	\$ 369,271.21
IBNR Loss Reserves	697,508.00	129,888.00	0.00	0.00	0.00	827,396.00
Anticipated Salvage and Subrogation	(88,815.00)	(6,161.00)	0.00	0.00	0.00	(94,976.00)
Loss Reserves including IBNR:	<u>\$ 1,524,691.22</u>	<u>\$ (423,000.01)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,101,691.21</u>
Allocated LAE Reserves	(\$534.53)	\$4,119.60	\$0.00	\$0.00	\$0.00	\$ 3,585.07

HAWAII JOINT UNDERWRITING PLAN
CONSOLIDATED QUARTERLY RESULTS OF OPERATION

	Quarter Ending Dec 2024	Quarter Ending Sep 2024	Quarter Ending Jun 2024	Quarter Ending Mar 2024	Quarter Ending Dec 2023
<u>Underwriting Income:</u>					
Premium Written	\$515,161.25	\$926,735.84	\$609,999.35	\$471,265.00	\$468,528.00
Change in Unearned Premiums	(122,498.20)	282,109.83	(66,225.83)	(244,334.91)	(286,181.02)
Premiums Earned	637,659.45	644,626.01	676,225.18	715,599.91	754,709.02
<u>Deductions:</u>					
Losses Paid	596,237.70	224,084.61	292,087.66	164,184.34	695,799.80
Change in Loss Reserves	(423,000.01)	(129,406.25)	564,154.24	(199,696.44)	(349,403.81)
Losses Incurred	173,237.69	94,678.36	856,241.90	(35,512.10)	346,395.99
Allocated LAE Paid	-	-	-	-	-
Change in Allocated LAE Reserves	4,119.60	(1,450.70)	468.57	237.86	1,278.80
Allocated LAE Incurred	4,119.60	(1,450.70)	468.57	237.86	1,278.80
Change in Premium Deficiency Reserve	(16,265.00)	49.00	3,521.00	5,623.00	(10,698.00)
Servicing Carrier Fees - Claims LAE	104,004.98	26,203.03	153,421.77	95,065.12	96,436.37
Servicing Carrier Fees - Operating	53,012.18	96,169.63	64,740.10	54,243.41	52,245.52
Commissions Written	15,728.66	38,685.03	20,080.28	10,740.09	16,853.10
DMV Surcharge Fees	227.16	340.23	269.69	(635.49)	1,403.49
Total Underwriting Deductions	334,065.27	256,125.28	1,098,274.74	129,524.03	502,636.47
Net Underwriting Gain (Loss)	303,594.18	388,500.73	(422,049.56)	586,075.88	252,072.55
Investment Income	35,376.58	35,994.10	22,455.98	23,354.01	30,341.03
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Miscellaneous Income	0.00	2,126.58	0.00	(227.00)	0.00
Membership Fees	0.00	0.00	336,000.00	0.00	0.00
Late Penalty Fees	-	150.00	239.39	0.00	0.00
Commissions Charged Off	(385.25)	0.00	(2.34)	-	-
Premiums Charged Off	(4,834.33)	(17,084.34)	(4,405.75)	(34.50)	1,032.50
Premiums Charged Off - CPAI	(210,432.00)	(267,447.00)	(225,697.00)	(264,334.00)	(221,512.00)
Fronting Co Fees - AIO HI	(870.72)	(1,189.17)	(970.01)	(1,076.91)	(1,238.38)
Other than Underwriting Expenses	(161,080.56)	(218,678.41)	(201,260.56)	(193,388.76)	(188,306.73)
Total Other Income (Expenses)	(377,602.86)	(502,122.34)	(96,096.27)	(459,061.17)	(410,024.61)
Net Gain (Loss)	(\$38,632.10)	(\$77,627.51)	(\$495,689.85)	\$150,368.72	(\$127,611.03)

HAWAII JOINT UNDERWRITING PLAN
RETAINED EARNINGS
December 31, 2024

Trial Balance

Total Assets	<u>\$3,625,885.25</u>
Total Liabilities	(\$2,852,478.56)
Total Retained Earnings	<u>(\$812,038.79)</u>
Liabilities + Retained Earnings	<u>(3,664,517.35)</u>
Assets + Liabilities + Retained Earnings	(38,632.10)
Total Income	(\$550,152.58)
Total Expense	<u>\$588,784.68</u>
Net (Income) & Expense	<u>38,632.10</u>
Difference	<u><u>0.00</u></u>

Retained Earnings

Retained Earnings from Trial Balance	(\$812,038.79)
Net (Income) & Expense from Trial Balance	\$38,632.10
Total Retained Earnings	<u><u>(\$773,406.69)</u></u>

HAWAII JOINT UNDERWRITING PLAN
CPAI
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH DECEMBER 31, 2024

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$210,432.00	\$210,432.00
Change in Unearned Premiums	(34,547.44)	(34,547.44)
Premiums Earned	<u>244,979.44</u>	<u>244,979.44</u>
<u>Deductions</u>		
Losses Paid	63,899.56	63,899.56
Change in Loss Reserves	(181,047.26)	(181,047.26)
Losses Incurred	<u>(117,147.70)</u>	<u>(117,147.70)</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	4,287.59	1,264.40
Allocated LAE Incurred	<u>4,287.59</u>	<u>1,264.40</u>
Change in Premium Deficiency Reserve	(16,265.00)	(16,265.00)
Servicing Carrier Fees - Claims LAE	40,135.26	40,135.26
Servicing Carrier Fees - Operating	21,238.95	21,238.95
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	0.00	0.00
Total Underwriting Deductions	<u>(72,038.49)</u>	<u>(72,038.49)</u>
Net Underwriting Gain (Loss)	317,017.93	317,017.93
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	0.00
Premiums Charged Off	(210,432.00)	(210,432.00)
Fronting Co Fees - AIO HI	(870.72)	(870.72)
Other than Underwriting Expenses	(18,000.00)	(18,000.00)
Total Other Income (Expenses)	<u>(229,302.72)</u>	<u>(229,302.72)</u>
Net Gain (Loss)	<u><u>\$87,715.21</u></u>	<u><u>\$87,715.21</u></u>

HAWAII JOINT UNDERWRITING PLAN
CPAI
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH DECEMBER 31, 2024

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 496,499.59	\$ (34,547.44)	\$ -	\$ -	\$ -	\$ 461,952.15
Premium Deficiency Reserve	176,602.00	(16,265.00)	0.00	0.00	0.00	160,337.00
Loss Reserves	\$ 335,066.14	\$ (109,792.26)	\$ -	\$ -	\$ -	\$ 225,273.88
IBNR Loss Reserves	114,050.00	(71,495.00)	0.00	0.00	0.00	42,555.00
Anticipated Salvage and Subrogation	(12,346.00)	240.00	0.00	0.00	0.00	(12,106.00)
Loss Reserves including IBNR:	<u>\$ 436,770.14</u>	<u>\$ (181,047.26)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,722.88</u>
Allocated LAE Reserves	(\$880.94)	\$4,287.59	\$0.00	\$0.00	\$0.00	\$ 3,406.65

HAWAII JOINT UNDERWRITING PLAN
CPAI
QUARTERLY RESULTS OF OPERATION

	Quarter Ending Dec 2024	Quarter Ending Sep 2024	Quarter Ending Jun 2024	Quarter Ending Mar 2024	Quarter Ending Dec 2023
<u>Underwriting Income:</u>					
Premium Written	\$210,432.00	\$267,447.00	\$225,697.00	\$264,334.00	\$221,512.00
Change in Unearned Premiums	(34,547.44)	19,179.74	(20,450.94)	17,739.48	(30,673.71)
Premiums Earned	244,979.44	248,267.26	246,147.94	246,594.52	252,185.71
<u>Deductions:</u>					
Losses Paid	63,899.56	39,113.43	33,562.08	58,314.81	59,228.04
Change in Loss Reserves	(181,047.26)	(275,468.21)	511,009.96	(4,226.63)	20,030.08
Losses Incurred	(117,147.70)	(236,354.78)	544,572.04	54,088.18	79,258.12
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	4,287.59	-	-	(1,658.58)	4,287.59
Allocated LAE Incurred	4,287.59	-	-	(1,658.58)	4,287.59
Change in Premium Deficiency Reserve	(16,265.00)	49.00	3,521.00	5,623.00	(10,698.00)
Servicing Carrier Fees - Claims LAE	40,135.26	20,691.21	40,031.11	8,463.33	40,503.15
Servicing Carrier Fees - Operating	21,238.95	28,798.77	25,473.33	32,651.32	23,630.26
Commissions Written	0.00	0.00	0.00	0.00	0.00
Total Underwriting Deductions	(72,038.49)	(186,815.80)	613,597.48	100,825.83	132,693.53
Net Underwriting Gain (Loss)	317,017.93	435,083.06	(367,449.54)	145,768.69	119,492.18
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off	0.00	0.00	0.00	0.00	0.00
Premiums Charged Off - CPAI	(210,432.00)	(267,447.00)	(225,697.00)	(264,334.00)	(221,512.00)
Fronting Co Fees - AIO HI	(870.72)	(1,189.17)	(970.01)	(1,076.91)	(1,238.38)
Other than Underwriting Expenses	(18,000.00)	(18,000.00)	(18,000.00)	76,500.00	(112,500.00)
Total Other Income (Expenses)	(229,302.72)	(286,636.17)	(244,667.01)	(188,910.91)	(335,250.38)
Net Gain (Loss)	\$87,715.21	\$148,446.89	(\$612,116.55)	(\$43,142.22)	(\$215,758.20)

**HAWAII JOINT UNDERWRITING PLAN
COMMERCIAL
STATEMENT OF INCOME AND EXPENSES
December 31, 2024**

	Quarter Ending	Fiscal Year to Date
<u>Underwriting Income</u>		
Premium Written	\$296,003.25	\$296,003.25
Change in Unearned Premiums	(57,565.87)	(57,565.87)
Premiums Earned	353,569.12	353,569.12
<u>Deductions</u>		
Losses Paid	522,264.54	522,264.54
Change in Loss Reserves	(246,540.02)	(246,540.02)
Losses Incurred	275,724.52	275,724.52
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00
Allocated LAE Incurred	0.00	0.00
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	31,941.72	31,941.72
Servicing Carrier Fees - Operating	29,600.33	29,600.33
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	15,369.36	15,369.36
Total Underwriting Deductions	352,635.93	352,635.93
Net Underwriting Gain (Loss)	933.19	933.19
<u>Other Income (Expenses)</u>		
Commissions Charged Off	(410.25)	(410.25)
Premiums Charged Off	(831.33)	(831.33)
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	(29,166.67)	(53,500.69)
Total Other Income (Expenses)	(30,408.25)	(54,742.27)
Net Gain (Loss)	(\$29,475.06)	(\$53,809.08)

**HAWAII JOINT UNDERWRITING PLAN
COMMERCIAL
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 787,221.80	\$ (57,565.87)	\$ -	\$ -	\$ -	\$ 729,655.93
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 569,192.35	\$ (431,235.02)	\$ -	\$ -	\$ -	\$ 137,957.33
IBNR Loss Reserves	514,989.00	190,647.00	0.00	0.00	0.00	705,636.00
Anticipated Salvage and Subrogation	(73,091.00)	(5,952.00)	0.00	0.00	0.00	(79,043.00)
Loss Reserves including IBNR:	<u>\$ 1,011,090.35</u>	<u>\$ (246,540.02)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764,550.33</u>
Allocated LAE Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -

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

	Quarter Ending Dec 2024	Quarter Ending Sep 2024	Quarter Ending Jun 2024	Quarter Ending Mar 2024	Quarter Ending Dec 2023
<u>Underwriting Income:</u>					
Premium Written	\$296,003.25	\$628,796.58	\$360,948.43	\$204,561.00	\$157,954.00
Change in Unearned Premiums	(57,565.87)	266,665.33	(45,486.53)	(234,706.21)	(319,515.11)
Premiums Earned	353,569.12	362,131.25	406,434.96	439,267.21	477,469.11
<u>Deductions:</u>					
Losses Paid	522,264.54	182,737.27	253,487.55	91,582.04	633,026.54
Change in Loss Reserves	(246,540.02)	127,176.62	38,959.34	(180,736.94)	(365,057.67)
Losses Incurred	275,724.52	309,913.89	292,446.89	(89,154.90)	267,968.87
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00	0.00	0.00	0.00
Allocated LAE Incurred	0.00	0.00	0.00	0.00	0.00
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	31,941.72	34,984.20	82,153.53	43,336.46	33,643.53
Servicing Carrier Fees - Operating	29,600.33	62,879.66	36,094.84	20,456.10	15,795.40
Commissions Written	15,369.36	35,753.49	18,047.20	10,250.69	8,009.80
Total Underwriting Deductions	352,635.93	443,531.24	428,742.46	(15,111.65)	325,417.60
Net Underwriting Gain (Loss)	933.19	(81,399.99)	(22,307.50)	454,378.86	152,051.51
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	(410.25)	0.00	0.00	0.00	0.00
Premiums Charged Off	(831.33)	(16,651.53)	(617.23)	(34.50)	1,032.50
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	(29,166.67)	(87,500.01)	(87,500.01)	(175,000.02)	0.00
Total Other Income (Expenses)	(30,408.25)	(104,151.54)	(88,117.24)	(175,034.52)	1,032.50
Net Gain (Loss)	(\$29,475.06)	(\$185,551.53)	(\$110,424.74)	\$279,344.34	\$153,084.01

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - OTHER
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	(\$1,336.00)	\$1,865.00
Change in Unearned Premiums	(5,991.16)	(9,254.88)
Premiums Earned	<u>4,655.16</u>	<u>11,119.88</u>
<u>Deductions</u>		
Losses Paid	2,157.40	2,157.40
Change in Loss Reserves	3,524.80	3,524.80
Losses Incurred	<u>5,682.20</u>	<u>5,682.20</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	(167.99)	0.00
Allocated LAE Incurred	<u>(167.99)</u>	<u>0.00</u>
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	247.44	247.44
Servicing Carrier Fees - Operating	(187.04)	(2.99)
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	(177.30)	142.80
Total Underwriting Deductions	<u>5,565.30</u>	<u>6,069.45</u>
Net Underwriting Gain (Loss)	<u>(910.14)</u>	<u>5,050.43</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	25.00	25.00
Premiums Charged Off	(437.00)	(437.00)
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	(3,000.00)	(6,000.00)
Total Other Income (Expenses)	<u>(3,412.00)</u>	<u>(6,412.00)</u>
Net Gain (Loss)	<u><u>(\$4,322.14)</u></u>	<u><u>(\$1,361.57)</u></u>

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - OTHER
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 11,456.98	\$ (5,991.16)	\$ -	\$ -	\$ -	\$ 5,465.82
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 45.20	\$ 5,994.80	\$ -	\$ -	\$ -	\$ 6,040.00
IBNR Loss Reserves	6,879.00	(2,470.00)	0.00	0.00	0.00	4,409.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Loss Reserves including IBNR:	<u>\$ 6,924.20</u>	<u>\$ 3,524.80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,449.00</u>
Allocated LAE Reserves	\$346.41	(\$167.99)	\$0.00	\$0.00	\$0.00	\$ 178.42

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

	Quarter Ending Dec 2024	Quarter Ending Sep 2024	Quarter Ending Jun 2024	Quarter Ending Mar 2024	Quarter Ending Dec 2023
<u>Underwriting Income:</u>					
Premium Written	(\$1,336.00)	\$8,404.26	(\$12,868.54)	(\$17,525.00)	\$37,916.00
Change in Unearned Premiums	(5,991.16)	1,643.29	(7,234.14)	(24,799.32)	29,038.99
Premiums Earned	4,655.16	6,760.97	(5,634.40)	7,274.32	8,877.01
<u>Deductions:</u>					
Losses Paid	2,157.40	-	5,038.03	13,028.47	3,545.22
Change in Loss Reserves	3,524.80	(20,096.21)	(911.06)	3,380.20	(19,446.22)
Losses Incurred	5,682.20	(20,096.21)	4,126.97	16,408.67	(15,901.00)
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	(167.99)	0.00	0.00	0.00	(167.99)
Allocated LAE Incurred	(167.99)	0.00	0.00	0.00	(167.99)
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	247.44	281.63	(934.77)	84.57	294.06
Servicing Carrier Fees - Operating	(187.04)	1,258.21	(1,751.79)	(2,011.91)	5,317.06
Commissions Written	(177.30)	820.35	(850.52)	(1,500.10)	3,728.70
Total Underwriting Deductions	5,565.30	(17,736.02)	589.89	12,981.23	(6,561.18)
Net Underwriting Gain (Loss)	(910.14)	24,496.99	(6,224.29)	(5,706.91)	15,438.19
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	25.00	0.00	0.00	0.00	0.00
Premiums Charged Off	(437.00)	(433.31)	(3,609.52)	0.00	0.00
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	(3,000.00)	(3,000.00)	(3,000.00)	(6,000.00)	0.00
Total Other Income (Expenses)	(3,412.00)	(3,433.31)	(6,609.52)	(6,000.00)	-
Net Gain (Loss)	(\$4,322.14)	\$21,063.68	(\$12,833.81)	(\$11,706.91)	\$15,438.19

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - HIGH RISK
STATEMENT OF INCOME AND EXPENSES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	<u>Quarter Ending</u>	<u>Fiscal Year to Date</u>
<u>Underwriting Income</u>		
Premium Written	\$10,062.00	\$15,510.00
Change in Unearned Premiums	(24,393.73)	(57,493.50)
Premiums Earned	<u>34,455.73</u>	<u>73,003.50</u>
<u>Deductions</u>		
Losses Paid	7,916.20	8,639.48
Change in Loss Reserves	1,511.47	1,511.47
Losses Incurred	<u>9,427.67</u>	<u>10,150.95</u>
Allocated LAE Paid	0.00	0.00
Change in Allocated LAE Reserves	0.00	14.40
Allocated LAE Incurred	<u>0.00</u>	<u>14.40</u>
Change in Premium Deficiency Reserve	0.00	0.00
Servicing Carrier Fees - Claims LAE	32,272.56	32,272.56
Servicing Carrier Fees - Operating	2,359.94	3,247.70
Servicing Carrier Fees - Collections	0.00	0.00
Commissions Written	536.60	1,148.80
Total Underwriting Deductions	<u>44,596.77</u>	<u>46,820.01</u>
Net Underwriting Gain (Loss)	<u>(10,141.04)</u>	<u>26,183.49</u>
<u>Other Income (Expenses)</u>		
Commissions Charged Off	0.00	0.00
Premiums Charged Off	(3,566.00)	(8,660.00)
Fronting Co Fees - AIO HI	0.00	0.00
Other than Underwriting Expenses	(3,999.99)	(7,999.98)
Total Other Income (Expenses)	<u>(7,565.99)</u>	<u>(16,659.98)</u>
Net Gain (Loss)	<u><u>(\$17,707.03)</u></u>	<u><u>\$9,523.51</u></u>

**HAWAII JOINT UNDERWRITING PLAN
PRIVATE - HIGH RISK
EXHIBIT OF RESERVES
YEAR TO DATE THROUGH DECEMBER 31, 2024**

	Prior Year End Reserves	First Quarter Change	Second Quarter Change	Third Quarter Change	Fourth Quarter Change	Quarter End Reserves
Unearned Premium	\$ 64,694.01	\$ (24,393.73)	\$ -	\$ -	\$ -	\$ 40,300.28
Premium Deficiency Reserve	-	-	-	-	-	-
Loss Reserves	\$ 11,694.53	\$ (11,694.53)	\$ -	\$ -	\$ -	\$ (0.00)
IBNR Loss Reserves	61,590.00	13,206.00	0.00	0.00	0.00	74,796.00
Anticipated Salvage and Subrogation	0.00	0.00	0.00	0.00	0.00	0.00
Loss Reserves including IBNR:	<u>\$ 73,284.53</u>	<u>\$ 1,511.47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,796.00</u>
Allocated LAE Reserves	(\$0.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$ (0.00)

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

	Quarter Ending Dec 2024	Quarter Ending Sep 2024	Quarter Ending Jun 2024	Quarter Ending Mar 2024	Quarter Ending Dec 2023
<u>Underwriting Income:</u>					
Premium Written	\$10,062.00	\$22,088.00	\$36,222.46	\$19,895.00	\$51,146.00
Change in Unearned Premiums	(24,393.73)	(5,378.53)	6,945.78	(2,568.86)	34,968.81
Premiums Earned	34,455.73	27,466.53	29,276.68	22,463.86	16,177.19
<u>Deductions:</u>					
Losses Paid	7,916.20	2,233.91	-	1,259.02	-
Change in Loss Reserves	1,511.47	40,060.55	14,586.00	(21,543.07)	14,686.00
Losses Incurred	9,427.67	42,294.46	14,586.00	(20,284.05)	14,686.00
Allocated LAE Paid	0.00	0.00	0.00	0.00	0.00
Change in Allocated LAE Reserves	0.00	0.00	0.00	0.00	0.00
Allocated LAE Incurred	0.00	0.00	0.00	0.00	0.00
Change in Premium Deficiency Reserve	0.00	0.00	0.00	0.00	0.00
Servicing Carrier Fees - Claims LAE	32,272.56	32,604.08	28,873.90	43,379.76	22,196.63
Servicing Carrier Fees - Operating	2,359.94	3,232.99	4,923.72	3,147.90	7,502.80
Commissions Written	536.60	2,111.19	2,883.60	1,989.50	5,114.60
Total Underwriting Deductions	44,596.77	80,242.72	51,267.22	28,233.11	49,500.03
Net Underwriting Gain (Loss)	(10,141.04)	(52,776.19)	(21,990.54)	(5,769.25)	(33,322.84)
Investment Income	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Investments	0.00	0.00	0.00	0.00	0.00
<u>Other Income (Expenses):</u>					
Membership Fees	0.00	0.00	0.00	0.00	0.00
Late Penalty Fees	0.00	0.00	0.00	0.00	0.00
Commissions Charged Off	0.00	0.00	(2.34)	0.00	0.00
Premiums Charged Off	(3,566.00)	0.50	(179.00)	0.00	0.00
Premiums Charged Off - CPAI	0.00	0.00	0.00	0.00	0.00
Fronting Co Fees - AIO HI	0.00	0.00	0.00	0.00	0.00
Other than Underwriting Expenses	(3,999.99)	(3,999.99)	(3,999.99)	(7,999.98)	0.00
Total Other Income (Expenses)	(7,565.99)	(3,999.49)	(4,181.33)	(7,999.98)	0.00
Net Gain (Loss)	(\$17,707.03)	(\$56,775.68)	(\$26,171.87)	(\$13,769.23)	(\$33,322.84)

HAWAII PRIVATE PASSENGER Financial Data as of 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
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	220,940	220,940	45,975	21,542	28,325	125,098	-2,483	127,582	20.81%	9.75%	12.82%	43.38%	42.26%
2017	209,794	209,794	81,626	24,118	25,819	78,231	-9,068	87,299	38.91%	11.50%	12.31%	62.72%	58.40%
2018	135,807	135,807	18,427	12,807	16,869	87,705	-8,138	95,843	13.57%	9.43%	12.42%	35.42%	29.43%
2019	137,046	137,046	102,485	13,715	16,739	4,107	-6,640	10,746	74.78%	10.01%	12.21%	97.00%	92.16%
2020	141,249	141,249	10,267	13,040	16,682	101,261	-15,662	116,923	7.27%	9.23%	11.81%	28.31%	17.22%
2021	130,740	130,740	77,749	12,054	15,284	25,653	-7,143	32,797	59.47%	9.22%	11.69%	80.38%	74.92%
2022	62,051	62,051	18,781	6,126	10,101	27,044	-2,895	29,939	30.27%	9.87%	16.28%	56.42%	51.75%
2023	102,579	102,579	105,620	11,109	19,157	-33,307	2,451	-35,759	102.96%	10.83%	18.68%	132.47%	134.86%
2024	127,237	81,471	33,036	7,360	23,348	17,727	-11,339	29,066	40.55%	9.03%	18.35%	67.93%	59.02%
Total	1,684,636	1,638,870	694,097	164,825	231,747	548,202	-74,216	622,418	42.35%	10.06%	13.76%	66.17%	61.76%

Experience by Active Policy Year Through 4th Calendar Quarter 2023

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	24,274	25,970	79,435	-10,004	89,439	38.63%	11.49%	12.29%	62.41%	57.68%
2018	137,758	137,758	17,731	13,010	17,064	89,953	-8,639	98,592	12.87%	9.44%	12.39%	34.70%	28.43%
2019	139,019	139,019	101,211	13,621	16,936	7,251	-7,141	14,392	72.80%	9.80%	12.18%	94.78%	89.64%
2020	143,165	143,165	9,688	13,218	16,873	103,386	-16,163	119,549	6.77%	9.23%	11.79%	27.79%	16.50%
2021	135,568	135,568	80,329	12,456	15,767	27,016	-7,644	34,661	59.25%	9.19%	11.63%	80.07%	74.43%
2022	64,978	64,978	37,509	6,736	10,394	10,340	-3,396	13,737	57.72%	10.37%	16.00%	84.09%	78.86%
2023	149,876	42,333	65,334	4,645	28,698	-56,345	-1,787	-54,557	154.33%	10.97%	19.15%	184.45%	183.26%
Total	1,619,694	1,512,152	639,535	152,443	219,439	500,735	-70,665	571,399	42.29%	10.08%	13.55%	65.92%	61.56%

Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024

2014	0	0	0	0	0	0	0	0					
2015	0	0	0	0	0	0	0	0					
2016	108	108	0	13	11	84	108	-24					
2017	-1,511	-1,511	0	-156	-151	-1,204	936	-2,140					
2018	-1,951	-1,951	696	-203	-195	-2,248	501	-2,749					
2019	-1,973	-1,973	1,275	94	-197	-3,144	501	-3,645					
2020	-1,916	-1,916	579	-178	-192	-2,125	501	-2,626					
2021	-4,828	-4,828	-2,580	-402	-483	-2,580	501	-1,864					
2022	-2,927	-2,927	-18,728	-610	-293	16,704	501	16,203					
2023	-47,297	60,246	40,286	6,464	-9,541	23,037	4,239	18,799					
2024	127,237	81,471	33,036	7,360	23,348	17,727	-11,339	29,066					
Total	64,942	126,719	54,562	12,382	12,308	47,467	-3,551	51,018					

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 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
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	22,095	0	6,230	0	1,274	2,666	11,762	15,638
2017	81,626	0	0	0	0	20,979	0	4,839	0	2,409	1,681	9,286	17,626
2018	18,427	0	0	0	0	13,581	0	3,288	0	3,829	1,075	6,833	12,217
2019	103,068	-583	0	0	0	13,705	0	3,035	0	4,565	1,052	7,667	10,794
2020	10,850	-583	0	0	0	14,125	0	2,557	0	832	2,635	15,959	33,424
2021	77,738	0	11	0	0	13,074	0	2,210	0	15	966	9,317	17,411
2022	18,247	0	534	0	0	6,205	0	3,896	0	1,150	619	5,834	8,198
2023	48,710	5,893	51,017	0	0	10,258	0	8,899	0	6,033	4,260	14,989	10,765
2024	7,916	0	25,119	0	0	12,724	0	10,625	0	6,041	436	18,138	23,873
Total	612,689	4,727	76,682	0	0	168,464	0	63,283	0	26,170	19,648	137,347	205,041
Experience by Active Policy Year Through 4th Calendar Quarter 2023													
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	-696	0	0	0	13,776	0	3,288	0	3,829	574	6,833	12,217
2019	103,068	-1,162	-696	0	0	13,902	0	3,035	0	4,565	551	7,667	10,794
2020	10,850	0	-1,162	0	0	14,316	0	2,557	0	832	2,134	15,959	33,424
2021	77,433	2,180	716	0	0	13,557	0	2,210	0	15	465	9,317	17,411
2022	15,059	2,870	19,580	0	0	6,498	0	3,896	0	1,150	118	5,834	8,198
2023	28,486	9,148	27,701	0	0	14,988	0	13,711	0	6,033	22	14,989	10,765
Total	581,056	12,340	46,139	0	0	161,969	0	57,470	0	20,130	11,423	119,209	181,168
Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024													
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	11	0	0	0	0	108	0	0
2017	0	0	0	0	0	-151	0	0	0	0	936	0	0
2018	0	696	0	0	0	-195	0	0	0	0	501	0	0
2019	0	579	696	0	0	-197	0	0	0	0	501	0	0
2020	0	-583	1,162	0	0	-192	0	0	0	0	501	0	0
2021	305	-2,180	-705	0	0	-483	0	0	0	0	501	0	0
2022	3,187	-2,870	-19,046	0	0	-293	0	0	0	0	501	0	0
2023	20,224	-3,255	23,316	0	0	-4,730	0	-4,811	0	0	4,239	0	0
2024	7,916	0	25,119	0	0	12,724	0	10,625	0	6,041	436	18,138	23,873
Total	31,633	-7,613	30,542	0	0	6,494	0	5,813	0	6,041	8,224	18,138	23,873

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 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
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	817,308	238,878	2,532,104	-1,199,512	-57,247	-1,142,266	34.21%	10.00%	106.00%	150.21%	147.81%
2017	2,135,403	2,135,403	738,370	267,838	2,263,461	-1,134,266	-84,877	-1,049,389	34.58%	12.54%	106.00%	153.12%	149.15%
2018	1,994,793	1,994,793	483,195	199,479	2,114,869	-802,750	-122,807	-679,943	24.22%	10.00%	106.02%	140.24%	134.08%
2019	1,823,863	1,823,863	441,027	182,360	1,935,211	-734,736	-97,144	-637,592	24.18%	10.00%	106.11%	140.29%	134.96%
2020	1,405,834	1,405,834	395,364	140,575	1,488,883	-618,988	-63,721	-555,268	28.12%	10.00%	105.91%	144.03%	139.50%
2021	1,191,811	1,191,811	286,719	119,217	1,263,319	-477,445	-51,588	-425,856	24.06%	10.00%	106.00%	140.06%	135.73%
2022	1,119,990	1,119,990	173,120	111,960	1,209,790	-374,881	-33,294	-341,587	15.46%	10.00%	108.02%	133.48%	130.51%
2023	987,995	987,995	215,490	103,771	1,047,275	-378,541	-53,819	-324,721	21.81%	10.50%	106.00%	138.31%	132.86%
2024	968,416	506,464	177,153	50,676	1,186,854	-908,219	-22,914	-885,305	34.98%	10.01%	122.56%	167.55%	165.18%
Total	19,586,932	19,124,980	5,329,355	1,981,016	20,946,210	-9,131,601	-1,012,295	-8,119,306	27.87%	10.36%	106.94%	145.17%	140.00%

Experience by Active Policy Year Through 4th Calendar Quarter 2023													
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	817,308	238,878	2,532,104	-1,199,512	-57,247	-1,142,266	34.21%	10.00%	106.00%	150.21%	147.81%
2017	2,135,403	2,135,403	738,370	267,838	2,263,461	-1,134,266	-84,877	-1,049,389	34.58%	12.54%	106.00%	153.12%	149.15%
2018	1,994,793	1,994,793	483,195	199,479	2,114,869	-802,750	-122,807	-679,943	24.22%	10.00%	106.02%	140.24%	134.08%
2019	1,823,863	1,823,863	441,027	182,360	1,935,211	-734,736	-97,144	-637,592	24.18%	10.00%	106.11%	140.29%	134.96%
2020	1,405,834	1,405,834	392,378	140,600	1,488,883	-616,027	-63,721	-552,306	27.91%	10.00%	105.91%	143.82%	139.29%
2021	1,191,811	1,191,811	316,362	119,217	1,263,319	-507,088	-51,588	-455,500	26.54%	10.00%	106.00%	142.54%	138.21%
2022	1,119,990	1,119,990	208,176	111,960	1,209,790	-409,936	-33,294	-376,642	18.59%	10.00%	108.02%	136.61%	133.64%
2023	988,501	508,470	85,772	50,828	1,215,223	-843,354	-53,819	-789,534	16.87%	10.00%	122.94%	149.81%	144.37%
Total	18,619,022	18,138,991	5,084,197	1,877,422	19,927,304	-8,749,933	-989,381	-7,760,552	28.03%	10.35%	107.03%	145.41%	140.10%

Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024													
2014	0	0	0	0	0	0	0	0					
2015	0	0	0	0	0	0	0	0					
2016	0	0	0	0	0	0	0	0					
2017	0	0	0	0	0	0	0	0					
2018	0	0	0	0	0	0	0	0					
2019	0	0	0	0	0	0	0	0					
2020	0	0	2,986	-25	0	-2,962	0	-2,962					
2021	0	0	-29,644	0	0	29,644	0	29,644					
2022	0	0	-35,056	0	0	35,056	0	35,056					
2023	-506	479,525	129,718	52,943	-167,948	464,813	0	464,813					
2024	968,416	506,464	177,153	50,676	1,186,854	-908,219	-22,914	-885,305					
Total	967,910	985,989	245,158	103,594	1,018,906	-381,668	-22,914	-358,754					

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 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
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	817,308	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	0	0	0	0	119,688	1,995,181	0	0	57,879	71	94,719	159,719
2019	441,027	0	0	0	0	109,432	1,825,780	0	0	57,572	46	96,720	136,338
2020	395,364	0	0	0	0	84,350	1,404,533	0	0	7,618	101	148,488	204,692
2021	277,399	9,320	0	0	0	71,509	1,191,811	0	0	118	121	81,209	132,800
2022	158,050	14,655	416	0	0	89,800	1,119,990	0	0	16,003	25	94,357	111,673
2023	143,815	55,046	16,629	0	0	59,280	987,995	0	0	37,552	48	66,848	83,163
2024	17,513	135,636	24,004	0	0	58,105	968,416	0	160,333	50,711	-9	150,375	122,569
Total	5,073,650	214,657	41,049	0	0	1,197,816	19,588,060	0	160,333	266,634	1,069	1,401,643	2,148,372
Experience by Active Policy Year Through 4th Calendar Quarter 2023													
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	817,308	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	0	0	0	0	119,688	1,995,181	0	0	57,879	71	94,719	159,719
2019	441,027	0	0	0	0	109,432	1,825,780	0	0	57,572	46	96,720	136,338
2020	382,920	9,404	54	0	0	84,350	1,404,533	0	0	7,618	101	148,488	204,692
2021	251,399	63,827	1,136	0	0	71,509	1,191,811	0	0	118	121	81,209	132,800
2022	118,130	77,801	12,245	0	0	89,800	1,119,990	0	0	16,003	25	94,357	111,673
2023	44,802	24,956	16,014	0	0	59,310	988,501	0	167,412	37,552	48	66,848	83,163
Total	4,878,760	175,988	29,449	0	0	1,139,742	18,620,150	0	167,412	215,923	1,078	1,251,267	2,025,803
Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024													
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	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	12,444	-9,404	-54	0	0	0	0	0	0	0	0	0	0
2021	26,000	-54,507	-1,136	0	0	0	0	0	0	0	0	0	0
2022	39,920	-63,146	-11,829	0	0	0	0	0	0	0	0	0	0
2023	99,013	30,091	614	0	0	-30	-506	0	-167,412	0	0	0	0
2024	17,513	135,636	24,004	0	0	58,105	968,416	0	160,333	50,711	-9	150,375	122,569
Total	194,890	38,669	11,600	0	0	58,075	967,910	0	-7,079	50,711	-9	150,375	122,569

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 COMMERCIAL Financial Data as of 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
2014	2,223,640	2,223,640	729,888	219,850	328,411	945,491	23,782	921,710	32.82%	9.89%	14.77%	57.48%	58.55%
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	3,253,147	3,253,147	1,462,305	321,050	488,024	981,767	-66,587	1,048,355	44.95%	9.87%	15.00%	69.82%	67.77%
2017	3,587,091	3,587,091	3,405,066	428,366	537,859	-784,200	-69,568	-714,631	94.93%	11.94%	14.99%	121.86%	119.92%
2018	3,232,594	3,232,594	1,097,132	311,854	484,648	1,338,960	-121,859	1,460,819	33.94%	9.65%	14.99%	58.58%	54.81%
2019	2,701,011	2,701,011	1,757,977	270,082	404,998	267,954	-136,908	404,862	65.09%	10.00%	14.99%	90.08%	85.01%
2020	1,832,457	1,832,457	669,955	176,486	275,266	710,749	58,734	652,015	36.56%	9.63%	15.02%	61.21%	64.42%
2021	2,295,029	2,295,029	1,220,178	221,127	344,172	509,552	-60,212	569,764	53.17%	9.64%	15.00%	77.81%	75.19%
2022	2,021,040	2,021,040	1,132,185	202,102	303,149	383,603	-89,871	473,475	56.02%	10.00%	15.00%	81.02%	76.57%
2023	1,890,222	1,890,222	1,309,574	200,234	284,370	96,043	-236,479	332,523	69.28%	10.59%	15.04%	94.91%	82.40%
2024	1,454,911	725,255	310,055	69,618	222,653	122,930	-45,672	168,602	42.75%	9.60%	15.30%	67.65%	64.51%
Total	27,128,410	26,398,754	14,596,376	2,700,541	4,069,411	5,032,426	-1,340,263	6,372,689	55.29%	10.23%	15.00%	80.52%	75.58%

Experience by Active Policy Year Through 4th Calendar Quarter 2023													
2014	2,223,640	2,223,640	729,988	219,850	328,411	945,391	23,782	921,610	32.83%	9.89%	14.77%	57.49%	58.56%
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	981,603	-66,797	1,048,400	44.95%	9.87%	15.00%	69.82%	67.77%
2017	3,584,045	3,584,045	3,350,066	428,017	537,554	-731,592	-72,614	-658,978	93.47%	11.94%	15.00%	120.41%	118.38%
2018	3,228,757	3,228,757	1,089,369	311,407	484,264	1,343,717	-125,697	1,469,415	33.74%	9.64%	15.00%	58.38%	54.49%
2019	2,697,936	2,697,936	1,700,647	267,226	404,690	325,372	-139,983	465,355	63.04%	9.90%	15.00%	87.94%	82.75%
2020	1,830,297	1,830,297	665,351	176,280	274,581	714,085	56,574	657,511	36.35%	9.63%	15.00%	60.98%	64.07%
2021	2,293,379	2,293,379	1,204,443	221,035	344,007	523,894	-61,862	585,756	52.52%	9.64%	15.00%	77.16%	74.46%
2022	2,019,579	2,019,579	1,447,433	205,632	303,003	63,512	-91,332	154,844	71.67%	10.18%	15.00%	96.85%	92.33%
2023	1,870,262	1,069,513	655,793	110,436	280,585	22,699	-237,594	260,293	61.32%	10.33%	15.00%	86.65%	73.95%
Total	25,638,101	24,837,351	13,807,455	2,540,680	3,840,959	4,648,257	-1,311,145	5,959,402	55.59%	10.23%	14.98%	80.80%	75.69%

Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024													
2014	0	0	-100	0	0	100	0	100					
2015	0	0	0	0	0	0	0	0					
2016	210	210	0	24	21	165	210	-45					
2017	3,046	3,046	55,000	349	305	-52,608	3,046	-55,654					
2018	3,837	3,837	7,763	447	384	-4,757	3,838	-8,595					
2019	3,075	3,075	57,330	2,856	307	-57,419	3,075	-60,493					
2020	2,160	2,160	4,604	207	685	-3,336	2,160	-5,496					
2021	1,650	1,650	15,736	92	165	-14,342	1,650	-15,992					
2022	1,461	1,461	-315,247	-3,530	146	320,092	1,461	318,631					
2023	19,960	820,709	653,781	89,798	3,785	73,345	1,115	72,230					
2024	1,454,911	725,255	310,055	69,618	222,653	122,930	-45,672	168,602					
Total	1,490,309	1,561,403	788,921	159,861	228,452	384,169	-29,118	413,287					

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 4th Calendar Quarter 2024

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 4th Calendar Quarter 2024													
2014	729,888	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	325,315	0	162,710	0	16,943	6,033	153,470	209,149
2017	3,405,066	0	0	0	0	358,709	0	179,150	0	38,197	4,726	154,517	190,614
2018	1,097,132	0	0	0	0	323,259	0	161,389	0	88,810	4,936	144,072	182,058
2019	1,760,302	-2,325	0	0	0	270,101	0	134,897	0	83,148	11,336	138,088	203,184
2020	675,623	-5,809	141	0	0	183,246	0	92,020	0	9,066	2,628	177,910	112,739
2021	1,180,051	37,753	2,375	0	0	229,503	0	114,669	0	220	3,459	151,079	214,531
2022	1,133,592	-18,561	17,154	0	0	202,104	0	101,045	0	28,085	2,806	171,508	236,100
2023	831,578	35,836	442,161	0	0	189,022	0	95,348	0	67,068	2,283	95,913	267,607
2024	54,265	45,140	210,650	0	0	145,491	0	77,162	0	69,793	1,567	214,400	191,847
Total	13,831,861	92,034	672,481	0	0	2,712,841	0	1,356,570	0	406,406	48,180	1,803,426	2,785,464
Experience by Active Policy Year Through 4th Calendar Quarter 2023													
2014	729,988	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	45,000	0	0	0	358,405	0	179,150	0	38,197	1,680	154,517	190,614
2018	1,097,132	-7,763	0	0	0	322,876	0	161,389	0	88,810	1,098	144,072	182,058
2019	1,685,302	15,345	0	0	0	269,794	0	134,897	0	83,148	8,262	138,088	203,184
2020	675,623	-11,938	1,666	0	0	183,030	0	91,551	0	9,066	468	177,910	112,739
2021	1,115,051	69,278	20,114	0	0	229,338	0	114,669	0	220	1,809	151,079	214,531
2022	1,029,174	134,093	284,166	0	0	201,958	0	101,045	0	28,085	1,345	171,508	236,100
2023	180,089	89,091	386,613	0	0	187,026	0	93,559	0	67,068	1,168	95,913	267,607
Total	12,781,789	333,106	692,559	0	0	2,563,810	0	1,277,149	0	336,613	30,059	1,589,026	2,593,617
Change in Experience by Active Policy Years from 4th Calendar Quarter 2023 Through 4th Calendar Quarter 2024													
2014	-100	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	21	0	0	0	0	210	0	0
2017	100,000	-45,000	0	0	0	305	0	0	0	0	3,046	0	0
2018	0	7,763	0	0	0	384	0	0	0	0	3,838	0	0
2019	75,000	-17,670	0	0	0	307	0	0	0	0	3,075	0	0
2020	0	6,129	-1,525	0	0	216	0	469	0	0	2,160	0	0
2021	65,000	-31,525	-17,739	0	0	165	0	0	0	0	1,650	0	0
2022	104,418	-152,654	-267,012	0	0	146	0	0	0	0	1,461	0	0
2023	651,489	-53,255	55,548	0	0	1,996	0	1,789	0	0	1,115	0	0
2024	54,265	45,140	210,650	0	0	145,491	0	77,162	0	69,793	1,567	214,400	191,847
Total	1,050,071	-241,072	-20,078	0	0	149,031	0	79,421	0	69,793	18,121	214,400	191,847

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 JOINT UNDERWRITING PLAN - ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT

FISCAL YEAR ENDING SEPT 30, 2024

INVOICE DATE	INVOICE NUMBER	COMPANY REMITTANCE CODE	DUE DATE	AMOUNT DUE
02/17/25			03/19/2025	\$400,903

A. TOTAL PROGRAM

1. CLAIMS PAID*	\$358,031
2. UNALLOCATED CLAIM EXPENSE ALLOWANCE	\$42,872
3. NET PAID CLAIMS AND EXPENSE (1)+(2)	\$400,903
4. CLAIM RESERVES	
A. BEGINNING OF PERIOD	\$125,436
B. END OF PERIOD	\$299,011
C. NET CHANGE IN CLAIM RESERVE (4B)-(4A)	\$173,575
5. INCURRED CLAIMS (A3)+(4C)	\$574,478

* NET OF SUBROGATION RECOVERIES AND INCLUDING ALLOCATED LOSS ADJUSTMENT PAYMENTS

B. MEMBERS PARTICIPATION

1. YOUR COMPANY'S ANNUAL STMT/IMPUTED PREMIUM	
2. STATEWIDE ANNUAL STMT AND IMPUTED PREMIUM	\$603,288,145
3. YOUR COMPANY'S PARTICIPATION RATIO (B1)/(B2)	1.0000000
4. YOUR COMPANY'S SHARE (A3)*(B3)	\$400,903

<u>CODE / COMPANIES INCLUDED</u>	<u>PARTICIPATION RATIO</u>	<u>ANNUAL STATEMENT/ IMPUTED PREMIUM</u>	<u>ASSMT.</u>
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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 c/o AIPSO, PO Box 6530, Providence, RI 02940-6530, to the attention of the Director of Financial and Investment Services.

Companies who wish to pay this assessment using electronic fund transfers should send the funds to Bank of America, 100 Westminster Street, Providence, RI 02903.

Account name: Hawaii JUP

Account number 000105076799

ACH routing number - 0115-0001-0

Wire transfer routing number - 0260-0959-3

ASHIIN

HAWAII JOINT UNDERWRITING PLAN - ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT

FISCAL YEAR ENDING SEPT 30, 2023

INVOICE DATE	INVOICE NUMBER	COMPANY REMITTANCE CODE	DUE DATE	AMOUNT DUE
02/14/24			03/15/2024	\$246,421

A. TOTAL PROGRAM	
1. CLAIMS PAID*	\$220,161
2. UNALLOCATED CLAIM EXPENSE ALLOWANCE	\$26,260
3. NET PAID CLAIMS AND EXPENSE (1)+(2)	\$246,421
4. CLAIM RESERVES	
A. BEGINNING OF PERIOD	\$134,078
B. END OF PERIOD	\$125,436
C. NET CHANGE IN CLAIM RESERVE (4B)-(4A)	\$8,642-
5. INCURRED CLAIMS (A3)+(4C)	\$237,779
* NET OF SUBROGATION RECOVERIES AND INCLUDING ALLOCATED LOSS ADJUSTMENT PAYMENTS	
B. MEMBERS PARTICIPATION	
1. YOUR COMPANY'S ANNUAL STMT/IMPUTED PREMIUM	
2. STATEWIDE ANNUAL STMT AND IMPUTED PREMIUM	\$582,920,060
3. YOUR COMPANY'S PARTICIPATION RATIO (B1)/(B2)	1.0000000
4. YOUR COMPANY'S SHARE (A3)*(B3)	\$246,421

CODE / COMPANIES INCLUDED	PARTICIPATION RATIO	ANNUAL STATEMENT/ IMPUTED PREMIUM	ASSMT.
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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 c/o AIPSO, PO Box 6530, Providence, RI 02940-6530, to the attention of the Director of Financial and Investment Services.

Companies who wish to pay this assessment using electronic fund transfers should send the funds to Bank of America, 100 Westminister Street, Providence, RI 02903.

Account name: Hawaii JUP

Account number 000105076799

ACH routing number - 0115-0001-0

Wire transfer routing number - 0260-0959-3

ASHIIN

HAWAII JOINT UNDERWRITING PLAN - ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT

FISCAL YEAR ENDING SEPT 30, 2022

INVOICE DATE	INVOICE NUMBER	COMPANY REMITTANCE CODE	DUE DATE	AMOUNT DUE
02/15/23			03/17/2023	\$298,161

A. TOTAL PROGRAM	
1. CLAIMS PAID*	\$266,484
2. UNALLOCATED CLAIM EXPENSE ALLOWANCE	\$31,677
3. NET PAID CLAIMS AND EXPENSE (1)+(2)	\$298,161
4. CLAIM RESERVES	
A. BEGINNING OF PERIOD	\$313,829
B. END OF PERIOD	\$134,078
C. NET CHANGE IN CLAIM RESERVE (4B)-(4A)	\$179,751-
5. INCURRED CLAIMS (A3)+(4C)	\$118,410
* NET OF SUBROGATION RECOVERIES AND INCLUDING ALLOCATED LOSS ADJUSTMENT PAYMENTS	
B. MEMBERS PARTICIPATION	
1. YOUR COMPANY'S ANNUAL STMT/IMPUTED PREMIUM	
2. STATEWIDE ANNUAL STMT AND IMPUTED PREMIUM	\$565,466,858
3. YOUR COMPANY'S PARTICIPATION RATIO (B1)/(B2)	1.0000000
4. YOUR COMPANY'S SHARE (A3)*(B3)	\$298,161

CODE / COMPANIES INCLUDED	PARTICIPATION RATIO	ANNUAL STATEMENT/ IMPUTED PREMIUM	ASSMT.
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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 c/o AIPSO, PO Box 6530, Providence, RI 02940-6530, to the attention of the Director of Financial and Investment Services.

Companies who wish to pay this assessment using electronic fund transfers should send the funds to Bank of America, 100 Westminister Street, Providence, RI 02903.

Account name: Hawaii JUP

Account number 000105076799

ACH routing number - 0115-0001-0

Wire transfer routing number - 0260-0959-3

ASHIIN

HAWAII JOINT UNDERWRITING PLAN - ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT

FISCAL YEAR ENDING SEPT 30, 2021

INVOICE DATE	INVOICE NUMBER	COMPANY REMITTANCE CODE	DUE DATE	AMOUNT DUE
02/15/22			03/17/2022	\$319,878

A. TOTAL PROGRAM	
1. CLAIMS PAID*	\$285,883
2. UNALLOCATED CLAIM EXPENSE ALLOWANCE	\$33,995
3. NET PAID CLAIMS AND EXPENSE (1)+(2)	\$319,878
4. CLAIM RESERVES	
A. BEGINNING OF PERIOD	\$209,261
B. END OF PERIOD	\$313,829
C. NET CHANGE IN CLAIM RESERVE (4B)-(4A)	\$104,568
5. INCURRED CLAIMS (A3)+(4C)	\$424,446
* NET OF SUBROGATION RECOVERIES AND INCLUDING ALLOCATED LOSS ADJUSTMENT PAYMENTS	
B. MEMBERS PARTICIPATION	
1. YOUR COMPANY'S ANNUAL STMT/IMPUTED PREMIUM	
2. STATEWIDE ANNUAL STMT AND IMPUTED PREMIUM	\$553,653,141
3. YOUR COMPANY'S PARTICIPATION RATIO (B1)/(B2)	1.0000000
4. YOUR COMPANY'S SHARE (A3)*(B3)	\$319,878

CODE / COMPANIES INCLUDED	PARTICIPATION RATIO	ANNUAL STATEMENT/ IMPUTED PREMIUM	ASSMT.
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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 c/o AIPSO, PO Box 6530, Providence, RI 02940-6530, to the attention of the Director of Financial and Investment Services.

Companies who wish to pay this assessment using electronic fund transfers should send the funds to Bank of America, 100 Westminister Street, Providence, RI 02903.

Account name: Hawaii JUP

Account number 000105076799

ACH routing number - 0115-0001-0

Wire transfer routing number - 0260-0959-3

ASHIIN

HAWAII JOINT UNDERWRITING PLAN - ASSIGNED CLAIMS PROGRAM MEMBERS PARTICIPATION REPORT

FISCAL YEAR ENDING SEPT 30, 2020

INVOICE DATE	INVOICE NUMBER	COMPANY REMITTANCE CODE	DUE DATE	AMOUNT DUE
02/15/21			03/17/2021	\$327,334

A. TOTAL PROGRAM	
1. CLAIMS PAID*	\$292,742
2. UNALLOCATED CLAIM EXPENSE ALLOWANCE	\$34,592
3. NET PAID CLAIMS AND EXPENSE (1)+(2)	\$327,334
4. CLAIM RESERVES	
A. BEGINNING OF PERIOD	\$237,495
B. END OF PERIOD	\$209,261
C. NET CHANGE IN CLAIM RESERVE (4B)-(4A)	\$28,234-
5. INCURRED CLAIMS (A3)+(4C)	\$299,100
* NET OF SUBROGATION RECOVERIES AND INCLUDING ALLOCATED LOSS ADJUSTMENT PAYMENTS	
B. MEMBERS PARTICIPATION	
1. YOUR COMPANY'S ANNUAL STMT/IMPUTED PREMIUM	
2. STATEWIDE ANNUAL STMT AND IMPUTED PREMIUM	\$590,420,695
3. YOUR COMPANY'S PARTICIPATION RATIO (B1)/(B2)	1.0000000
4. YOUR COMPANY'S SHARE (A3)*(B3)	\$327,334

CODE / COMPANIES INCLUDED	PARTICIPATION RATIO	ANNUAL STATEMENT/ IMPUTED PREMIUM	ASSMT.
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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 c/o AIPSO, PO Box 6530, Providence, RI 02940-6530, to the attention of the Director of Financial and Investment Services.

Companies who wish to pay this assessment using electronic fund transfers should send the funds to Bank of America, 100 Westminister Street, Providence, RI 02903.
 Account name: Hawaii JUP
 Account number 000105076799
 ACH routing number - 0115-0001-0
 Wire transfer routing number - 0260-0959-3

MODEL PLAN AMENDMENTS**Defining the Issue**

The Model Automobile Insurance Plan (Model Plan) is a manual of administrative rules and operating procedures that serves as the model countrywide. Model Plan amendments are introduced to reflect current business practices, eliminate obsolete language, and modernize and simplify language to create uniformity for the Hawaii Joint Underwriting Plan (HJUP) servicing entity.

Action Needed

Please review the following information and decide if the proposal is appropriate for HJUP use.

Proposal

We propose amending the HJUP Personal Provisions to

- introduce Model Plan amendments which eliminates obsolete language, modernize, and simplify existing language, and reflects current business practices, and
- provide the producer with the option to use their e-signature software product to obtain signatures of the applicant during the application process,
- introduce performance standard requirements for the producer who chooses to use their e-signature software product, and
- include the signatures of the applicant and the producer as one of the requirements for coverage to be effective.

Impact

The proposal will have the following impact:

- Update and streamline the HJUP to enhance operational efficiencies for the HJUP.
- Simplify and create uniformity among residual market mechanisms countrywide.
- Clarify and align HJUP provisions and operating procedures to conform with current business practices.
- include the original signature of the applicant and producer on the application submitted to the Plan as one of the requirements for coverage to be effective. Producers who have an electronic signature product may utilize it to obtain the applicant's signature during the application process.
- Allow a producer to use their e-signature product to obtain signatures of the applicant during the application process. The use of e-signature software is optional. A producer may continue to submit applications with an original signature.
- Require a producer who chooses to use their e-signature product to (1) maintain any electronic communication between the producer and the applicant, and any authentication certificates and documents produced by the producer's e-signature software product and (2) make such documents upon request for inspection when requested.

- Eliminate HJUP provisions that are obsolete.

AIPSO Systems Impact: Coordinate January 1, 2026 effective with ISPS.

Background

AIPSO's Senior Management formed an internal team to identify and implement changes within the Plan of Operation. The team collaborated with AIPSO internal business units to identify areas of the Uniform Automobile Insurance Plan that could be modified, simplified, or eliminated to create uniformity among the state Plans countrywide and align with current business practices. A new Model Automobile Insurance Plan was developed.

The Residual Market Committee (RMC) and the Executive Committee of the AIPSO Board of Directors have approved the Model Automobile Insurance Plan.

Proposed Changes

GENERAL

The HJUP Provisions are revised to eliminate obsolete language and simplify or modify existing language to be consistent with current business practices.

DEFINITIONS

The definition of "Signatures" is amended to remove the requirement for an applicant's and producer's handwritten signature on the application. The Definitions section is further amended to introduce definitions for "fleet", "forward", "nonfleet", "producer", "resident".

PRODUCER DOING BUSINESS WITH THE HJUP

The **Producer Doing Business with the HJUP** section is amended to eliminate duplicative language. This information is found in the Personal and Commercial Provisions.

The procedure for producer registration to access electronic application submission is enhanced.

PERSONAL PROVISIONS

Sec. 17. PURPOSE OF THE HAWAII JOINT UNDERWRITING PLAN (HJUP)

New paragraph A clarifies that the main purpose of the HJUP is to make automobile insurance coverage available to eligible risks who are unable to obtain coverage in the voluntary market.

Sec. 19. REELIGIBILITY

Paragraph B is deleted in its entirety.

Sec. 22. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

Paragraph A is amended to state that the full estimated annual premium must accompany the application.

Paragraph B is amended to state that a specific percentage of the total estimated annual premium as a deposit must accompany the application. The balance must be paid within 30 calendar days of the date of the billing notice.

Paragraph C.5 introduced to specify that when an installment is past due and the next installment is due to be billed, a notice of cancellation may be issued to be effective no earlier than the due date of the current installment. The total of the past due installment and the current installment will be the minimum amount required to avoid cancellation. If the minimum payment is received by the effective date of cancellation, the policy shall be continued, and the remaining installments shall be processed on schedule.

Paragraph E is amended and moved to Section 29.D of the Personal Provisions producer performance standards.

Sec. 23. APPLICATION FOR COVERAGE AND DETERMINATION OF EFFECTIVE DATE

This Section is retitled Application for Coverage and Determination of Effective Date and is amended to remove redundant language.

Paragraph A.2 is amended to clarify that coverage will not be effective unless the application includes the signatures of the applicant and the producer.

The Alternative Application Submission Procedure contained in Paragraph B is moved and redesignated as paragraph G.

Newly designated paragraph D.7 is amended to clarify that any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's e-signature software product are to be maintained by the producer.

Sec. 28. PERFORMANCE STANDARDS FOR SERVICE ENTITIES WRITING HAWAII JOINT UNDERWRITING PLAN (HJUP) PRIVATE PASSENGER NONFLEET RISKS

This section is amended for clarification purposes and redundant language is deleted.

Sec. 29. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HAWAII JOINT UNDERWRITING PLAN (HJUP) PRIVATE PASSENGER NONFLEET RISKS

A performance standard in paragraph A.5 is introduced to require that any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's e-signature software product are to be maintained by the producer.

Paragraph D introduces a performance standard for producer checks dishonored by the bank.

Attachments

Exhibit A—Proposed amendments to Definitions section, Producers Doing Business with the HJUP, and the HJUP Personal Provisions

DEFINITIONS

The following definitions are added to the Definitions section:

“Fleet” is defined as five or more motor vehicles of any type.

“Forward” means the methods by which a producer may send to the HJUP (1) a completed, signed, paper application, deposit, and supporting documentation, or (2) a completed paper Electronic Application Submission Retraction Request Form, or (3) other forms or documents as specified in the HJUP provisions. Such methods may include USPS mail or overnight mail, courier, or other delivery service.

“Nonfleet” is defined as four or less motor vehicles of any type.

“Producer” means any person or persons, corporation, or other legal entity licensed by the state to transact automobile insurance business in Hawaii. Also referred to as a registered producer.

“Resident” means a person who resides in the state and has made their primary residence within the state.

The definition of “Signatures” is amended as follows:

“Signatures” means (1) the copies of applicant and producer signatures on the completed application electronically transmitted to the HJUP and (2) ~~handwritten~~ signatures of the applicant and producer affixed to the original completed paper application that is forwarded to the HJUP under the Alternate Application Submission Procedure.

INTRODUCTION

This section is amended as follows:

The Hawaii Joint Underwriting Plan (HJUP) took effect September 1, 1974. The HJUP was established to provide automobile insurance coverage to eligible drivers who are unable to secure insurance from a licensed insurer or have multiple accidents or traffic convictions.

Unless specifically identified otherwise, the sections of this Principles of Operation apply to residual bodily injury, property damage, personal injury protection, uninsured and underinsured motorists, and physical damage coverages and such additional insurance coverages as are required by Hawaii law.

For all licensed drivers receiving public assistance benefits through the Department of Human Services (CPAI), the HJUP makes available, at no cost to the insured, minimum liability coverage required in the state of Hawaii to all licensed drivers receiving public assistance benefits through the Department of Human Services. An insured may obtain their policy by mailing the Certificate of Eligibility, issued by the Department of Human Services, along with a photocopy of their driver’s license or their designated driver’s license (if permanently disabled) and vehicle registration within 30 days of their eligibility for insurance to:

IC International c/o HJUP
828 Fort Street Mall, Suite 200
Honolulu, HI 96813
Phone: (877) 622-4776
Walk ins are not accepted.

IC International will verify the insured’s eligibility for insurance at no cost and then validate the certificate. A validated certificate will be mailed back to the insured and will serve as the insured’s policy. Refer to Section 20 of this Manual for further information.

~~Before submitting an application for coverage, it is strongly recommended that users of this Manual read “Producers Doing Business with HJUP”. However, it is required that users of this Manual read the Administrative Provisions in the Personal and Commercial Automobile Parts, and review the General Rules. To the extent to which “Producers Doing Business with HJUP” conflicts with the Administrative Provisions, or the Personal or Commercial Automobile Parts, the provisions of the respective Administrative Provisions, or the Personal or Commercial Automobile Parts shall apply.~~

PRODUCERS DOING BUSINESS WITH HJUP

Producers must submit applications to the HJUP in accordance with the electronic application submission provisions contained in Section 23. If electronic application submission is not available for any reason or if the full annual premium or any portion of the deposit is premium financed, the application to the HJUP shall be made using the alternate application submission procedure in accordance with Section 23.G.

For the submission of commercial applications, producers must follow the electronic application submission provisions outlined in Section 39. If electronic application submission is not available for any reason, the application to the HJUP shall be made using the alternate application submission procedure in accordance with Section 39.E.

Commissions will be paid in accordance with Section 27 for private passenger and Section 42 for commercial.

PRODUCER REGISTRATION TO ACCESS ELECTRONIC APPLICATION SUBMISSION

Any producer licensed to write motor vehicle insurance in the state of Hawaii shall automatically be licensed and authorized to bind coverage for eligible applicants on behalf of the HJUP and shall communicate the fact of such binding directly to the HJUP. Producers must register to access the electronic application submission system as the means of transmitting business to the servicing entity. To bind coverage, registered producers must complete private passenger and commercial applications electronically using electronic application submission.

Producers licensed to transact automobile insurance in the state must register with the HJUP. Only producers registered with the HJUP may submit applications. It is the responsibility of each producer to review and comply with the rules and procedures for electronic application submission in the Principles of Operation.

To register with the HJUP, a producer must

1. hold a valid Hawaii property and casualty license, and
2. maintain an errors and omissions insurance policy, and
3. complete the Application for Registration for Authorization to Submit Applications, and
4. submit the completed Application for Registration with a copy of their valid property and casualty producer's license and properly completed W-9.

A user identification code must be obtained by completing an application for registration for authorization to submit applications electronically. The

online registration application must be completed by accessing the HJUP website at <https://www.aipso.com/PlanSites/Hawaii>.

A copy of a valid producer's license must be submitted to the HJUP at the time application is made. License copies should be electronically transmitted to the HJUP in accordance with the instructions provided on the HJUP website.

A producer meeting these requirements is authorized to bind automobile insurance with the HJUP in accordance with the provisions and limitations set forth in the HJUP Principles of Operation and the Manual of Rules and Rates.

To maintain access to electronic application submission, a producer must maintain a valid property and casualty producer's license. Upon expiration of a producer's license, the HJUP will review the Hawaii Insurance Division's website to confirm an active property and casualty license is filed with the state.

In no instance is the registered or unregistered producer to present itself as an agent of the HJUP. There is no explicit or unexplicit agency relationship between any producer and the HJUP. In every instance, the registered producer is an independent contractor that is doing business with the HJUP.

If violations pertaining to electronic submission of applications have occurred, the Board may recommend to the Commissioner the limitation, suspension, or termination of producer access to the online application submission process.

The Commissioner may provide an appropriate appeal process for members, the servicing entity, and agents.

Specific questions on the HJUP Manual, or any portion thereof, should be directed to the HJUP.

~~Commissions will be paid in accordance with Sections 27 for private passenger and for commercial, commissions will be paid by the servicing entity in accordance with its voluntary market business practices and procedures.~~

Electronic Application Submission

~~The producer must electronically transmit private passenger and commercial applications to the HJUP using the online process for electronic application submission authorized by the HJUP. The electronic application submission process offers online completion of the application form and electronically transmits the application to the HJUP. Electronic payment is available when electronically transmitting private passenger applications.~~

~~The completed signed application, deposit, and supporting documentation must be forwarded to the HJUP in accordance with HJUP rules.~~

~~Before electronically transmitting the online application, please review the application to ensure that you have provided the servicing entity or HJUP with all the information necessary for issuance of the policy or completion of the transaction.~~

~~If electronic application submission is not available for any reason or if the full annual premium or any portion of the deposit is premium financed, the application to the HJUP shall be made using the alternate application submission procedure in accordance with Section 23.B or Section 37 for commercial applications.~~

HOW TO APPLY TO THE HJUP

~~In completing the application, the producer must be certain that~~

- ~~• the application is completed in the name of the individual or entity requesting coverage;~~
- ~~• the application is signed by the applicant and the producer of record;~~
- ~~• all applicable questions are answered fully;~~
- ~~• any and all attachments pertinent to the application are attached;~~
- ~~• for all applications subject to the alternate application submission procedure in Section 23.B or Section 38, the deposit premium accompanying the application must be correctly drafted in accordance with Section 22.D or Section 36.~~
- ~~• the applicant has read the application and concurs that all answers are correct and complete;~~
- ~~• the application is electronically transmitted to the HJUP in accordance with the electronic application submission procedures;~~
- ~~• for private passenger applications, the effective date of coverage shall be determined in accordance with Section 23 and for commercial applications, the effective date of coverage shall be determined in accordance with Section 37;~~
- ~~• the name, address, and tax identification number of the producer of record are included.~~

~~Specific questions on the HJUP Manual, or any portion thereof, should be directed to the HJUP.~~

WHAT TO SEND TO THE HJUP

~~Producers must submit applications to the HJUP in accordance with the electronic application submission provisions contained in Section 23.~~

~~For the submission of commercial applications, producers must follow the electronic application submission provisions outlined in Section 37.~~

HOW TO APPLY FOR ADDITIONAL COVERAGES OR CHANGES IN THE POLICY

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

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

PERSONAL AUTOMOBILE PART PROVISIONS

Section 17 is amended as follows:

Sec. 17. PURPOSES OF THE HAWAII JOINT UNDERWRITING PLAN (HJUP)

The purposes of the HJUP for private passenger risks are

- ~~A. to make automobile residual bodily injury and property damage liability insurance available to vehicles registered with the Department of Transportation, subject to the conditions hereafter stated, and~~
- ~~B. to make personal injury protection insurance available to four-wheel vehicles classified and rated as private passenger automobiles that are registered with the Department of Transportation, subject to the conditions hereinafter stated, and~~
- A. to provide automobile insurance coverage to those eligible risks who are unable to obtain coverage in the voluntary market, and

~~C.B.~~ In accordance with HRS §431:10C-407 of the Hawaii Motor Vehicle Insurance Law, to make available, at no cost to the insured, basic motor vehicle policy coverage to all licensed drivers, or unlicensed permanently disabled individuals unable to operate their motor vehicles, who are receiving public assistance benefits consisting of medical services or direct cash payments through the Department of Human Services (DHS), or benefits from the Supplemental Security Income program under the Social Security Administration, and

~~D.C.~~ The the HJUP shall also be available to applicants domiciled in the state. An eligible applicant must be the owner of a motor vehicle that is registered or will be registered in the state within 30 calendar days.

Section 18 is unchanged.

Section 19 is amended as follows:

Sec. 19. REELIGIBILITY

Applicants eligible for coverage through the HJUP in accordance with Section 18 are subject to the following reeligibility provisions:

A. New Application

An Any applicant denied insurance under Section 18 or cancelled under Section 26.B may reapply to the HJUP as soon as the cause of ineligibility is removed. If reapplication is made, a new application shall be forwarded to the HJUP along with the appropriate premium deposit and required supporting documentation.

- ~~1. Applicants cancelled under Section 26.B.1.a by the servicing entity may reapply at any time provided no earned premium is owed to the previous servicing entity for not being in good faith shall not be eligible to re-apply to the HJUP for 12 months after the effective date of cancellation.~~
- ~~2. Applicants cancelled under Section 26.B.1.e may reapply to the HJUP at any time providing no earned premium is owed the previous company.~~
- ~~3. If an applicant cancelled under Section 26.B.1.e reapplies, provided such applicant is otherwise eligible, the application shall be accompanied by the deposit prescribed in Section 22.~~
- ~~4. Such application shall be considered a new application and coverage shall be determined in accordance with the provisions of Section 23.~~

Exception: An applicant cancelled by the servicing entity for not being in good faith is not eligible to reapply to the HJUP for 12 months after the effective date of cancellation.

B. Renewals

~~Any insured who fails to pay the renewal premium quoted by the servicing entity in accordance with the provisions of Section 28.A.2, may reapply to the HJUP at any time.~~

- ~~1. If an applicant reapplies, provided the applicant is otherwise eligible, the application shall be accompanied by the deposit prescribed in Section 22.~~
- ~~2. Such application shall be considered a new application and coverage shall be determined in accordance with the provisions of Section 23.~~

Sections 20 is unchanged.

Section 21 is amended as follows:

Sec. 21. EXTENT OF COVERAGE

A. Coverages and Limits

1. Residual Bodily Injury, Property Damage, and Personal Injury Protection Coverages
 - a. The servicing entity shall ~~be required to~~ write a policy or binder for basic limits of \$40,000/80,000 residual bodily injury and \$20,000 property damage.
 - b. An insured eligible for coverage under the HJUP may, ~~at their option,~~ also purchase additional coverage to be written on the same policy as the liability coverages for
 - (1) liability limits in excess of the basic limits only when the basic limits are written through the HJUP;
 - (2) liability limits adequate to comply with the provisions of the financial responsibility law of any state in which the motor vehicle will be operated, but applicable only while the motor vehicle is being operated in that state/province;
 - (3) liability limits at the following optional limits:

At the request of the applicant or insured, the following residual bodily injury liability limits shall be available:

Optional Residual BI Limits

\$50,000/100,000
100,000/200,000
100,000/300,000
100,000/500,000*
100,000/1,000,000*

250,000/750,000*
300,000/300,000*
300,000/600,000*

*where required by law or contractually by a governmental agency

At the request of the applicant or insured, the following property damage liability limits shall be available:

Optional PD Limits

\$ 15,000
20,000
30,000
50,000*
250,000*

*where required by law or contractually by a governmental agency

Refer to Rule 2 in the Manual of Rules and Rates for additional coverage in excess of the limits defined in this Manual where required by law or contractually by a governmental agency.

- (4) uninsured motorists coverage is afforded on a stacked basis at the limits of liability specified in the applicable rules and rates.

An insured has the option, in writing, to reject uninsured motorists coverage or stacked uninsured motorists coverage or limits equal to the residual bodily injury liability limits and select lower limits, but not less than the financial responsibility limits.

- (5) underinsured motorists coverage is afforded on a stacked basis at the standard limits of liability specified in the applicable rules and rates.

An insured has the option, in writing, to reject underinsured motorists coverage or stacked underinsured motorists coverage or limits equal to the residual bodily injury liability limits and select lower limits, but not less than the financial responsibility limits.

- (6) personal injury protection payments coverage at an aggregate limit of \$10,000 per person. For additional optional benefits, refer to Rule 28 in the Manual of Rules and Rates and the Private Passenger Auto Rate Chapter.

Personal injury protection coverage shall be available to an applicant, but only in conjunction with the same policy written in accordance with the HJUP affording residual bodily injury and property damage coverage.

2. Physical Damage Coverage

For automobiles eligible for physical damage coverages, the servicing entity shall ~~be required to~~ write comprehensive and collision coverage on an Actual Cash Value basis, subject to a deductible in the amount of \$0 (comprehensive only), \$50, \$100, \$250, \$500, \$1,000, \$1,500, or \$2,000 applicable to each loss as to each automobile.

Physical damage coverage is available only in conjunction with the same policy written through the HJUP affording residual bodily injury and property damage liability and personal injury protection coverages.

3. Certified Public Assistance Insureds (CPAI) Residual Bodily Injury, Property Damage, and Personal Injury Protection Coverage

The servicing entity shall ~~be required to~~ write a motor vehicle policy or binder for basic limits of \$20,000/40,000 residual bodily injury; \$10,000 property damage; and \$10,000 personal injury protection, at no cost, to all licensed drivers receiving public assistance benefits through the Department of Human Services.

B. **Standard Policy Coverage**

1. Personal Auto Policy

a. The following risks shall be provided ~~uniform~~ coverage, equivalent to the coverage of the Edition of the Hawaii Insurance Bureau, Inc. (HIB) Personal Auto Policy and the HIB and HJUP endorsements which have been approved by the Hawaii Insurance Division for HJUP business.

- (1) Private passenger automobiles, as defined in Rule 20 in the Manual of Rules and Rates, which have four wheels and are owned or hired under a long-term contract by an individual or by a married couple who are residents of the same household or parties who have entered into a civil union under Hawaii law who are residents of the same household

- (2) Motor homes used for private passenger purposes which are owned or hired under a long-term contract by an individual or by a married couple who are residents of the same household or parties who have

~~entered~~ into a civil union under Hawaii law who are residents of the same household, and written on a specified car basis

- (3) Named nonowner risks
 - (4) Recreational trailers and camper bodies
 - (5) Antique autos
- b. All Personal Auto Policies may be amended by an approved HJUP Amendment of Policy Provisions Endorsement.
- c. For motor homes, referred to above, coverage shall be amended by an approved HJUP Miscellaneous Type Vehicle Endorsement.
- d. For private passenger automobiles owned or hired under a long-term contract by individuals, other than spouses, residing in the same household, nonresident relatives, or partners who have entered into a civil union recognized under Hawaii law, coverage shall be amended by an approved HJUP Joint Ownership Coverage Endorsement.
- e. For named nonowner risks, referred to above, coverage shall be amended by an approved HJUP Named Nonowner Coverage Endorsement.
2. Filing of Policy and Endorsement Forms
- Any required filings of policy or endorsement forms shall be made on behalf of the HJUP by AIPSO.

Section 22 is amended as follows:

Sec. 22. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

~~The application for insurance under the HJUP must be submitted to the HJUP on a prescribed form accompanied by the full gross annual premium or a deposit on a gross basis as indicated below:~~

The premium deposit requirements and payment options listed below are applicable to new business and renewals.

A. Full Annual Premium Option

The full estimated annual premium shall be submitted with the application if the applicant chooses this option. ~~If the premium deposit is inadequate, the outstanding balance shall be billed immediately and due within 30 calendar days of the date of the premium notice.~~

B. Advance Premium Payment Option

30% of the total estimated annual premium shall accompany the application. ~~The balance will be billed immediately and due within 30 calendar days from the date of the premium notice of the annual premium due must be paid within 30 calendar days of the date of the premium notice. (This payment option is not available for renewal policies.)~~

C. Installment Premium Payment Option

Note: The installment premium payment option is not available if any portion of the annual premium is financed by a premium finance company.

If any portion of the annual premium is financed after the installment premium payment option is elected, the servicing entity may bill the insured immediately for the unpaid balance of the annual premium.

1. Deposit

25% of the total estimated annual premium shall accompany the new application and be submitted as the initial payment on renewal policies. ~~(No There is no~~ installment charge on the deposit premium.)

2. Installments

The first installment bill will show the current annual premium minus the deposit. Each installment bill ~~should~~ shall display the status of the account and is to be ~~released~~ sent to the insured with a copy to the producer.

Each installment will consist of one-fifth of the remainder of the premium ~~subject to a minimum amount due of \$20 (to which any outstanding balance of less than \$20 is to be added)~~ plus an installment charge of \$4 on each installment, due as follows:

- a. 1st installment—2 months after the effective date of the policy
- b. 2nd installment—3 months after the effective date of the policy
- c. 3rd installment—4 months after the effective date of the policy
- d. 4th installment—5 months after the effective date of the policy
- e. 5th installment—6 months after the effective date of the policy

~~At any point during the installment billing period, should~~ If the insured elect to pay ~~the~~ pays the outstanding balance, the installment charge for the current bill ~~would~~ will apply.

3. Additional Premium—Changes

Additional premium resulting from changes to the policy may be spread over the remaining installments, ~~if any,~~ or may be billed ~~immediately~~ as a separate transaction.

4. Return Premium—Changes

Return premium resulting from changes to the policy may be used to reduce the outstanding balance, ~~or, if,~~ If the outstanding balance is eliminated, any amount remaining will be returned ~~immediately~~. If any outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly. ~~If the return amount is less than \$20, it may be treated as a separate transaction.~~

5. If the installment is past due and the next installment is due to be billed, a notice of cancellation may be issued to be effective no earlier than the due date of the current installment. The total of the past due installment and the current installment shall become the minimum amount required to avoid cancellation of the policy. If the minimum payment is received by the effective date of cancellation, the policy shall be continued, and subsequent installments shall be processed on schedule.

D. **Deposit, Installment, or Additional Premium Payments Applicable to A, B, or C Above**

All deposit, installments, and additional premium payments shall be submitted gross. ~~Commissions will be paid in accordance with Section 27.~~

Application to the HJUP must be made by using electronic application submission. The full annual premium or deposit must be transmitted using the electronic payment option available in accordance with approved procedures. Any fee charged for the use of electronic payment shall be borne by the HJUP.

F.

If electronic application submission is not available for any reason or if the full annual premium or any portion of the deposit is premium financed, the application to the HJUP shall be made using the alternate application submission procedure.

~~When~~ If using the Alternate Application Submission Procedure, the deposit accompanying the application shall be ~~either~~ in the form of an insured's personal check, ~~an agency~~ a producer's check, a cashier's check, or a money order payable to the Hawaii Joint Underwriting Plan.

If the full annual premium or any portion of the deposit premium is financed, a finance company check submitted as premium payment shall be

made payable to the Hawaii Joint Underwriting Plan.

~~If the risk is ineligible for coverage, the deposit shall be returned.~~ The HJUP or the servicing entity may require a certified or cashier's check if experience on returned checks warrants such action.

For installment payments, additional premium requirements, renewal premium, and other payments made directly to the servicing entity, payments must be made by insured's check, certified check, ~~bank check~~ cashier's check, producer's check of the producer of record, finance company check, money order, or by electronic means if provided by the servicing entity.

If the deposit premium is 20% or more inadequate, the servicing entity may bill for the deficiency immediately. If there are additional premium charges during the policy period, the servicing entity may collect the additional premium as a separate amount or may add it to the remaining amount due and adjust the remaining installments accordingly. ~~Refunds may be handled in the same manner as additional charges, i.e., credit~~ Credits may be applied to the remaining balance due or refunded ~~immediately~~ if the outstanding balance is eliminated.

E. **Dishonored Producer Checks**

~~Producers who have submitted dishonored checks issued by the agency or by an agent individually, on one or more occasions during a one-year period to the HJUP or servicing entity or whose electronic payments have been dishonored or returned by the bank may be required to submit future payments by certified check, bank check, or money order. This shall not negate any rights of the Hawaii Insurance Division to pursue action against a producer.~~

Dishonored producer checks shall be reported to the HJUP.

F. **Premium Owed for Prior Insurance**

~~Upon receipt of the deposit accompanying an application for insurance,~~ If the applicant owes earned premium for prior HJUP coverage, the servicing entity may deduct from ~~such~~ the deposit any unpaid balance of earned premium owed to the servicing entity by the applicant and apply ~~such~~ the amount deducted to the unpaid balance of the deposit or installment required. The servicing entity will bill the applicant for the balance of deposit or installment required. ~~If such the balance is not paid within the time permitted by HJUP rules, the servicing entity shall be entitled to cancel such insurance pursuant to Section 26.B~~ will issue a cancellation notice.

Note: A premium finance check cannot be deducted from an outstanding prior balance.

~~G. Minimum Billing~~

~~Any amount due which is less than \$5 need not be billed.~~

Section 23 is retitled and amended as follows:

**Sec. 23. APPLICATION FOR INSURANCE
COVERAGE AND DETERMINATION OF
EFFECTIVE DATE**

The producer must electronically transmit private passenger applications and the deposit to the HJUP using the online process for electronic application submission authorized by the HJUP. The electronic application submission process offers online rating for private passenger risks and electronically transmits the application to the HJUP.

The producer may not transmit the application electronically until the application for coverage has been completed and the deposit has been received by the producer.

The producer shall maintain appropriate records of all risks submitted to the HJUP, including any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product.

A. ~~Electronic Application Submission with Electronic Payment—Original Application~~

1. Upon receipt of the electronically transmitted application and authorized electronic transfer of funds for the deposit ~~specified in Section 22~~, if the applicant is eligible, the HJUP will process the application and advise the applicant and the producer ~~of record~~ of the servicing entity and the effective date of coverage.
2. In no event shall coverage be effective
 - a. prior to the time shown on the application;
 - b. prior to the time shown on the Evidence of Insurance section of the application;
 - c. unless the application includes the signatures of the applicant and the producer; and
 - e-d. unless the required deposit is submitted with the application.
3. Electronic Application Submission with Electronic Payment

~~Producers must establish the effective date of coverage and transmit the application to the HJUP electronically. Coverage will be effective only when the electronic submission is transmitted under the procedures established and authorized by the HJUP.~~

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

The completed electronic application and deposit must be submitted in accordance with HJUP procedures.

The date of receipt of the electronic application by the HJUP shall be established by the date and time the application is electronically transmitted by the producer.

a. Immediate Coverage

- (1) ~~The producer of record and the applicant shall certify on the application prescribed by the HJUP the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was transmitted. The date of receipt of the electronic application by the HJUP shall be established by the date and time the application is electronically transmitted by the producer.~~
- (2) ~~The completed application generated by electronic application submission and deposit are electronically transmitted to the HJUP in accordance with the procedures approved by the HJUP.~~
- (3)(2) A copy of the The completed signed application form generated by electronic application submission and required supporting documentation are electronically transmitted to the HJUP no later than within two working days following the date the application and deposit are electronically transmitted to the Plan HJUP.
- (4) The date of receipt of a fax by the HJUP shall be established by the date and time stamp of the HJUP facsimile on the application and documentation submitted.

For applications and supporting documentation that are electronically transmitted by means other than fax (including the scan/upload option), the date of receipt of the electronic transmission by the HJUP shall be established by the date and time the

electronic transmission is received by the HJUP.

When the completed signed application and required supporting documentation are not received by the HJUP within two working days of the application and deposit being electronically transmitted, the application will be assigned processed and the electronic payment will be transmitted to the servicing entity. The originally requested effective date will be honored, provided the applicant is otherwise eligible.

- ~~(5) Paper copies of the signed application and supporting documentation must not be forwarded to the HJUP.~~

~~However, the producer must retain either the original, completed, signed application generated by electronic application submission or a copy of the completed signed application and supporting documentation.~~

b. Future Effective Date of Coverage

~~In the event~~ If a future effective date of coverage has been is requested by the producer of record, coverage shall become effective as of at 12:01 A.M. on the future date, provided all of the following requirements are met:

- (1) The requested effective date of coverage shall not exceed 45 calendar days from the date of transmittal of the application.
- (2) The producer of record and applicant certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) of the future effective date of coverage.
- (3) The producer of record and applicant certify the date and time the application was transmitted on the application generated by electronic application submission. ~~The date of receipt of the electronic application by the HJUP shall be established by the date and time the application is electronically transmitted by the producer.~~
- (4) ~~The completed application generated by electronic application submission and deposit payment are electronically transmitted to the HJUP in accordance with procedures approved by the HJUP.~~

- ~~(5)(4) A copy of the~~ The completed signed application generated by electronic application submission and required supporting documentation are electronically must be uploaded and electronically transmitted to the HJUP no later than within two working days following the date the application and deposit are electronically transmitted to the HJUP.

If the application, and required supporting documentation are transmitted to the HJUP by fax, the date of transmission shall be established by the date and time recorded on the Plan's HJUP's fax.

When the completed signed application and documentation are not received by the HJUP within two working days of the application and deposit being electronically transmitted, the application will be assigned, and the electronic payment will be transmitted to the servicing entity. The originally requested future effective date will be honored, provided the applicant is otherwise eligible.

- ~~(6) Paper copies of the signed application and supporting documentation must not be forwarded to the HJUP.~~

~~However, the producer must retain either the original, completed signed application generated by electronic application submission or a copy of the completed signed application and supporting documentation in accordance with Section 23.A.3.a.(5).~~

4. Private Passenger Application Retraction Procedure

a. When to Retract an Application Retraction

~~Following issuance of a reference number and no later than two working days following the electronic transmission, the producer of record may retract a private passenger application for the reasons stated in Section 23.A.4.b.~~

If a reference number must be retracted for an application transmitted using the electronic payment option, the deposit will be returned to the applicant based on the method of electronic funds transfer used. The refund will be returned within five working days following the date of the electronic retraction by the producer.

b. Reasons for Retraction of an Application

~~A private passenger application may be retracted for any of the following reasons:~~

The producer may retract an electronic application following the issuance of a reference number provided the application and supporting documentation have not been received by the HJUP for the following reasons:

- (1) The applicant has notified the producer ~~of record~~ that coverage through the HJUP is no longer required.
- (2) The producer ~~of record~~ has made an error in the information provided.
- (3) The producer ~~of record~~ has, in error, requested more than one reference number for the same application.

e.d. Electronic Retraction Process

The producer ~~of record~~ shall access ~~electronic application submission~~ and use the online electronic retraction process to retract an application. The retraction must be transmitted to the HJUP no later than one working day after the application is submitted. The producer is not required to submit a copy of the retracted paper application to the HJUP.

The deposit will be returned to the producer or the applicant based on the method of electronic funds transfer used. The return of funds submitted will be made within five working days following transmittal of the retraction to the HJUP or receipt of the completed paper Electronic Application Submission Retraction Form by the HJUP.

When retraction is requested because the producer has made an error in the application information and a corrected application has been transmitted, the producer must forward the corrected application, deposit and any supporting documentation accompanied by a copy of the completed Electronic Application Submission Retraction Request Form to the HJUP.

e.c. HJUP Retraction of an Application

If the producer does not retract the application, the HJUP will not retract the application, but will forward the application to the servicing entity and transmit the electronic payment in accordance with

Section 23.A.3.a.(1). Once the application is forwarded to the servicing entity, the producer will no longer be able to retract the reference number or void the application.

~~B. Alternate Application Submission Procedure—Original Application~~

~~**Note:** This procedure is only available when electronic application submission is not available for any reason or if the full annual premium or any portion of the deposit is premium-financed.~~

~~Private passenger applications should be submitted to the servicing entity utilizing electronic application submission whenever possible by the procedures set forth in Section 23.A.~~

~~If it is announced by AIPSO or the Hawaii Insurance Division that electronic application submission is not operative or unavailable or if the full annual premium or any portion of the deposit is premium-financed, producers may utilize the following process to submit HJUP applications for insurance.~~

~~AIPSO, with the approval of the Hawaii Insurance Division, will post HJUP insurance application forms as a PDF on the appropriate website (AIPSO/HJUP or the Hawaii Insurance Division's website). Concurrent with that posting, alternate application submission instructions will also be posted. If a producer is not registered with the HJUP to submit applications during this time, they may access the application and bind coverage in accordance with the following:~~

- ~~1. The producer is licensed in the state of Hawaii;~~
- ~~2. The Alternate Application Report Form and the PDF application information are completed;~~
- ~~3. Rating is obtained by following the rating process prescribed in the HJUP Rules and Rates Manual;~~
- ~~4. Payment is made by the applicant and the completed application is signed by the applicant and producer; and~~
- ~~5. The producer agrees that either the EIN, if an agency, or SSN, if an individual, will be provided to the HJUP upon request.~~

~~The application and payment, along with the list of documents provided below, are mailed or express mailed to the HJUP no more than three business days after the completion of the above.~~

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

- ~~Current, valid driver's license for each operator listed on the application~~
- ~~Current, valid vehicle registration for each vehicle listed on the application~~
- ~~Credit Card Payment Authorization and receipt~~
- ~~CLUE Report~~
- ~~MVR or Court Connect Report~~
- ~~Uninsured and Underinsured Motorist Coverage Personal Auto form (AIP 9501)~~
- ~~Premium Finance agreement, if premium financed~~

~~If electronic application submission becomes available within this period of time, the producer is encouraged to submit the application electronically to the HJUP as described in Section 23.A.~~

C.B. Financial Responsibility (SR-22) Certificates

If the risk is eligible for coverage under the HJUP and the individual, married couple, or parties who have entered into a civil union under Hawaii law require a Financial Responsibility Certificate (SR-22), the servicing entity will issue the certificate and file with the proper authority. ~~Such~~ The certificate shall become effective as of the effective date of coverage.

D.C. Applicant Refusal to Accept Policy

If the applicant refuses to accept the policy for any reason, the return premium shall be calculated at .90 of the pro rata unearned premium for the period of coverage or the minimum policy premium as contained in the Manual of Rules and Rates, whichever is greater, and return the balance to the applicant. If the risk is premium financed, the balance is returned to the premium finance company.

E.D. Additional Vehicles or Coverages

1. If additional coverages ~~as described in Section 24 are desired~~ requested during the policy period or coverage for an additional or replacement vehicle is ~~desired~~ requested, a completed approved Policy Change Request form shall be submitted directly to the servicing entity no later than the first working day after completion.
2. Premium requirements for additional vehicles or coverages include the following:
 - a. The Policy Change Request form shall be accompanied by ~~a check or money order~~ deposit payable to the servicing entity for an amount equal to 30% of the annual premium or pro rata premium for the remainder of the policy period, whichever is less.

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

- b. The balance of the additional premium shall be payable in accordance with the provisions of ~~Section 22~~ of the HJUP.
 - c. All premium payments for additional vehicles or coverages shall be submitted on a gross basis.
3. Except as otherwise provided in the policy contract, coverage will be effective at the date and hour specified in the Policy Change Request form provided all of the following requirements are met:
- a. The producer ~~of record~~ and applicant certify the date and hour of completion of the Policy Change Request form.
 - b. The producer ~~of record~~ forwards the completed Policy Change Request form to the servicing entity ~~in accordance with Section 23.E.5~~.
 - c. The United States Postal Service postmark date on the transmittal envelope ~~complies with the mailing requirement shown in Section 23.E.5~~ verifies the policy change form was forwarded to the servicing entity no later than the first working day after the form was completed.
 - d. If the completed Policy Change Request form is electronically transmitted to the servicing entity via facsimile ("fax") or e-mail, the Policy Change Request form is forwarded to the servicing entity no later than the first working day after the Policy Change Request form is completed as shown by the date of the electronic transmission.
 - e. Except when there is a reduction or elimination of coverage, if the producer provides the servicing entity with policy change requests by telephone, if the option is available, the producer forwards the completed Policy Change Request form to the servicing entity no later than the first working day after the policy change request is provided by telephone.
4. If the policy change request is not forwarded to the service provider within the first working day after the form is completed, ~~provisions of Section 23.E.3 above are not met~~, the effective ~~date~~ of coverage shall be determined as follows:

- a. ~~The coverage shall be made effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the servicing entity as shown by the postmark if~~ If the transmittal envelope bears a legible postmark affixed by the United States Postal Service, coverage shall be effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the servicing entity.
 - b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a postage meter, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the servicing entity.
 - c. If the Policy Change Request form is delivered to the servicing entity by any means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the servicing entity.
 - d. If the Policy Change Request form is transmitted to the servicing carrier electronically, coverage shall be made effective at 12:01 A.M. on the day following receipt of electronic transmission by the servicing entity.
5. The Policy Change Request form shall be forwarded to the servicing entity no later than the first working day after the Policy Change Form is completed.
 6. In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.
 7. The producer ~~of record~~ shall maintain appropriate records for all risks ~~for which they have designated the date and hour of coverage and submitted to the HJUP, including any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product. The producer agrees to permit inspection or photocopying of such office records by the HJUP or by a servicing entity representative. This inspection or photocopying will be limited to situations where the date or hour of coverage is in question due to the occurrence of an accident or claim arising under the Policy Change Request form completed in accordance with this Section.~~

F.E. Reduction or Elimination of Coverage

~~In the event~~ If a reduction or elimination of coverage is desired during the policy period, a completed approved Policy Change Request form must be signed by the ~~applicant or~~ insured and submitted to the servicing entity.

G.F. Incomplete Applications

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

- Current, valid driver's license for each operator listed on the application
- Current, valid vehicle registration for each vehicle listed on the application
- Credit Card Payment Authorization and receipt
- CLUE Report
- MVR or Court Connect Report
- Uninsured and Underinsured Motorist Coverage—Personal Auto form (AIP 9501)
- Premium Finance agreement, if premium financed

Upon receipt of the electronically transmitted application, electronic funds, the ~~required~~ supporting documentation, and if the requirements outlined in Sections 22 and 23 are reasonably complied with, the application shall be processed by the HJUP. ~~If any of the above described required documentation is not provided, the application will be processed for assignment with notification to the servicing entity about any missing required documentation, except:~~

1. If the completed application and required deposit are not received by the HJUP within 20 calendar days from the date of electronic transmission of the application, the HJUP shall notify the producer and applicant in writing that the completed application and deposit have not been received. The application shall be considered null and void and no coverage shall be in effect. The application shall be retracted by the HJUP.
2. If an application is submitted without a deposit premium, the application shall be returned to the producer and no coverage will be afforded.

~~If at any time the servicing entity receives an incomplete application, it~~ It shall be the responsibility of the servicing entity to communicate clearly to the insured and producer ~~of record~~ in what respect an application is incomplete and requires correction.

~~The servicing entity shall give at least 15 calendar days to the insured and to the producer of record to remedy any defects in the application, and no~~

~~part of the deposit premium shall be returned to the insured or to the producer of record except upon proper cancellation in accordance with the provisions of Section 26, as applicable.~~

G. Application Submission if Electronic Submission is Unavailable

Note: This procedure is only available when electronic application submission is not available for any reason or if the full annual premium or any portion of the deposit is premium financed.

Private passenger applications should be submitted to the servicing entity utilizing electronic application submission whenever possible by the procedures set forth in Section 23.A.

If it is announced by HJUP or the Hawaii Insurance Division that electronic application submission is not operative or unavailable or if the full annual premium or any portion of the deposit is premium financed, producers may utilize the following process to submit HJUP applications for insurance.

AIPSO, with the approval of the Hawaii Insurance Division, will post HJUP insurance application forms as a PDF on the appropriate website (AIPSO/HJUP or the Hawaii Insurance Division's website). Concurrent with that posting, alternate application submission instructions will also be posted. If a producer is not registered with the HJUP to submit applications during this time, they may access the application and bind coverage in accordance with the following:

1. The producer is licensed in the state of Hawaii;
2. The Alternate Application Report Form and the PDF application information are completed;
3. Rating is obtained by following the rating process prescribed in the HJUP Manual of Rules and Rates;
4. Payment is made by the applicant and the completed application is signed by the applicant and producer; and
5. The producer agrees that either the EIN, if an agency, or SSN, if an individual, will be provided to the HJUP upon request.

The application and payment, along with the list of documents provided below, are mailed or express mailed to the HJUP no more than three business days after the completion of the above.

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

- Current, valid driver's license for each operator listed on the application

- Current, valid vehicle registration for each vehicle listed on the application
- Credit Card Payment Authorization and receipt
- CLUE Report
- MVR or Court Connect Report
- Uninsured and Underinsured Motorist Coverage—Personal Auto form (AIP 9501)
- Premium Finance agreement, if premium financed

If electronic application submission becomes available within this period of time, the producer is encouraged to submit the application electronically to the HJUP as described in Section 23.A.

Sec. 24. RESERVED FOR FUTURE USE

Section 25 is amended as follows:

Sec. 25. MIDTERM PRODUCER CHANGE

A private passenger applicant or insured may designate a new producer at any time who shall become the producer of record subject to the following.

The new producer must be registered with the HJUP to submit applications electronically and be licensed to transact automobile insurance in the state.

If an insured wants to change producer during a policy period, the Private Passenger Authorization to Change Producer of Record form must include the new producer's tax identification number and HJUP producer registration number. All future compensation transactions related to return and additional premium shall be the responsibility of the new producer. The change of producer shall become effective as of the effective date stated on the form only if the form is sent within three working days by certified mail or received by the servicing entity prior to the effective date stated on the form. Otherwise, the change of producer shall become effective as of the date the form is received by the servicing entity.

A. Individual Producer Changes

The Private Passenger Authorization to Change Producer of Record form shall be used to change the producer of record. This form shall be photocopied, properly completed, and submitted to the servicing entity in accordance with the requirements listed above. ~~Otherwise, the~~ The change of producer of record shall become effective as of the date the form is received by the servicing entity. All future compensation transactions related to return premium and additional premium shall be the responsibility of the new producer as of the effective date of the change. The servicing entity shall notify the prior

producer that a change of producer of record has been made.

B. Producer Changes Regarding Agency Acquisitions, Transfers, or Mergers

A Private Passenger Notice of Agency Acquisition/Transfer/Merger form shall be used to change the producer of record when an agency assumes control of another's book of business. To confirm identity, the producer's signature must either be notarized or a copy of the purchase/sales agreement (price masked) must accompany each form submitted. This form shall be photocopied, properly completed, and submitted to the HJUP and the servicing entity issuing and servicing the HJUP personal auto policy in accordance with the requirements listed above. ~~Otherwise, the~~ The change of producer of record shall become effective as of the date the form is received by the servicing entity. All future compensation transactions related to return premium and additional premium shall be the responsibility of the new producer as of the effective date of the change. In addition, it shall be the responsibility of the new producer to notify each insured affected by the transaction.

Section 26 is amended as follows:

Sec. 26. CANCELLATIONS

A. If a policy is cancelled either by the servicing entity or by the insured, compute the return premium on a pro rata basis subject to the minimum policy premium prescribed in Rule 5 in the Manual of Rules and Rates, whichever is greater.

B. Cancellation by Servicing entity Entity

1. The servicing entity which has issued a policy ~~or binder~~ under the HJUP shall have the right to cancel the insurance by giving notice as required in the policy ~~or binder~~ if the insured
 - a. is not or ceases to be eligible or in good faith ~~entitled to~~ eligible for insurance, or
 - b. has failed to comply with reasonable safety requirements, or
 - c. has violated any of the terms or conditions upon the basis of which the insurance was issued, or
 - d. has obtained the insurance through fraud or misrepresentation, or
 - e. has failed to pay any premiums due under the policy, or
 - f. has failed to remedy defects in the application ~~as outlined in Section 23-G~~, or
 - g. cannot be located by the servicing entity for purposes of its underwriting review, or

has failed to respond to at least two written requests for pertinent underwriting information which would have a direct bearing on the rating of a policy, or

h. becomes eligible for commercial midterm because of limits in excess of the maximum limits available under the HJUP (See Section 21).

2. A copy of ~~each such~~ the cancellation notice shall be furnished to the producer of record. A statement of facts in support of ~~each such~~ the cancellation shall be furnished to the producer of record and to the insured at least 20 calendar days prior to the effective date of cancellation for nonpayment of premium, and 30 calendar days prior to the effective date of cancellation for all other reasons.

Cancellation shall be effective on the date specified and coverage shall cease on such date.

~~At the option of the servicing entity, the~~ The nonpayment cancellation date may be the equity date.

No coverage will be effective if the insured's premium remittance ~~which accompanies~~ accompanying 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 the issuance of such cancellation notice is justifiably dishonored by the financial institution, the HJUP 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 rescind a policy or to invoke other remedies provided by law for fraud, or misrepresentation, or if the insured's premium remittance ~~which accompanies the application~~ is justifiably dishonored by the financial institution, ~~or to invoke other remedies provided by law.~~

C. Minimum Refund

For policies other than CPAI policies, any unearned premium amounts under \$5 will be refunded only upon the insured's request.

Section 27 is amended as follows:

Sec. 27. COMMISSIONS

Applicable to New and Renewal Business

- A. Unless other arrangements have been made with the Commissioner, commission under the HJUP shall be as follows:
- ~~10% of the policy premium for commission to a licensed producer designated by the insured.~~
- The licensed producer designated by the insured shall receive 10% of the policy premium for compensation.
- B. Commission may be paid by the company either (1) on the full annual premium, or 2) on the basis of premium received by the company.
- ~~C. A producer accounting system may be utilized by a company in its payment of producer commission.~~
- ~~D.C.~~ Commission will not be paid on installment charges.
- ~~E.D.~~ On any risk rated and domiciled outside of this state, the The licensed producer may be paid only that portion of the producer's commission ~~specified above~~ which is permissible under the laws of the state in which the risk is rated and domiciled.
- ~~F.E.~~ In the event of cancellation, a policy change, or a termination resulting in a reduction of premium, commission will be payable on the earned premium received by the servicing entity.
- ~~G.~~ Final commission adjustment will be in accordance with this Section.
- ~~H.F.~~ In the event that If 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.
- ~~I.G.~~ No commission will be paid for CPAI business.

Section 28 is amended as follows:

**Sec. 28. PERFORMANCE STANDARDS FOR
SERVICING ENTITIES WRITING
HAWAII JOINT UNDERWRITING PLAN
(HJUP) PRIVATE PASSENGER
NONFLEET RISKS**

A. Servicing Entity Performance Standards

The performance standards listed below set forth the specific time during which ~~companies~~ a servicing entity must perform in accordance with the rules of this HJUP.

1. Issuance of Original Policy

Upon receipt of the application and the premium or deposit from the HJUP, the servicing entity shall issue a policy within 15 calendar days if all information necessary for the servicing entity to determine the proper rate is contained on the application. The policy shall become effective in accordance with the provisions of the HJUP.

- ~~a. within 15 calendar days, issue a policy if all information necessary for the servicing entity to fix the proper rate is contained in the application form, such policy is to become effective in accordance with the provisions of Section 23, or~~
- ~~b. within 15 calendar days, issue a policy if all information necessary for the servicing entity to fix the proper rate is not contained in the application form or if the HJUP Manual does not contain rates applicable to an applicant. In the event the HJUP Manual does not contain applicable rates, the servicing entity must request that AIPSO make the necessary rate filing with the Commissioner. Upon receipt of information necessary for the servicing entity to fix the proper rate or notification of approval of the rate filing, the servicing entity shall issue a policy to become effective in accordance with the provisions of Section 23.~~

~~Unless the servicing entity finds the applicant ineligible for insurance under the rules of the HJUP, the servicing entity will notify the insured and the producer of record of the collection procedure to be followed. The servicing entity will be guided by the following:~~

- ~~● Full Annual Premium Option
See Section 22.A.~~
- ~~● Advance Premium Payment Option
See Section 22.B.~~
- ~~● Installment Premium Payment Option
See Section 22.C.~~

~~The day the Notice of Designation and premium or deposit are received from the HJUP shall be deemed the first working day, regardless of the time of such receipt. No Saturday, Sunday, or legal holiday in the place of receipt, shall be deemed a working day.~~

~~The producer of record shall be notified as to the disposition of the policy in accordance with Section 28.A.1.~~

The day the application and premium or deposit are received by the service provider shall be considered the first working day, regardless of the time of such receipt.

The producer shall be notified as to the disposition of the policy.

2. Classification of Risks Not Specifically Included in the Manual

If rules and rates for eligible autos are not specifically included in this Manual, the servicing entity shall refer the matter to AIPSO for rules and rates by completing an Individual Risk Submission Application, with a copy of the request to the HJUP. Refer to the HJUP Manual of Rules and Rates.

2.3. Renewal Policies or Certificates

At least 30 calendar days prior to the inception date of renewals, the servicing entity shall notify the insured and producer that

- a. a renewal will be issued provided the premium set by such servicing entity is received on or before the inception date, or
- b. if the renewal is to be written on the installment premium payment option, such the renewal will be written provided the deposit premium stipulated by the servicing entity is received on or before the inception of such renewal, or
- c. a renewal will not be issued for the reason that the insured is not entitled to eligible for insurance under the HJUP.

~~Renewal premium quotations will be made in accordance with present HJUP rules. A copy of such notice shall be sent to the producer of record.~~

~~The renewal offer of HJUP policies is to be prepared and mailed or electronically transmitted by the servicing entity at least 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.~~

~~If a renewal would be issued and the individual or a married couple who are residents of the same household or parties who have entered into a civil union under Hawaii law who are residents of the same household requires a Financial Responsibility Certificate (SR-22), the servicing entity will issue such certificate within two working days of receipt of the required deposit for renewal provided that all information necessary for the filing has been furnished.~~

~~3.4.~~ Endorsements

~~Any endorsement requested of the servicing entity~~ Endorsements shall be issued and mailed within 30 calendar days by the servicing entity.

~~If the insured, married couple, or parties who have entered into a civil union under Hawaii law require a Financial Responsibility Certificate (SR-22) midterm, the servicing entity will issue such certificate within two working days of receipt of the request provided that all premiums are paid to date and provided that all information necessary for the filing has been furnished.~~

4.5. Return Premiums

~~Within~~ The servicing entity shall mail the return premium within 30 calendar days of receipt of a request for ~~either~~ cancellation or an endorsement resulting in return premium, ~~the servicing entity must mail the return premium check.~~

~~5.6.~~ Commissions

Commissions shall be paid no less frequently than monthly and shall be paid within 15 calendar days after the close of the month in which the commission was credited to the producer's account. The servicing entity must issue a statement and, if applicable, the proper commission check unless the producer fails to provide their ~~proper~~ tax identification number.

~~Commissions are not paid in connection with coverage provided to CPAI insureds.~~

~~6.7.~~ Claim Handling

- a. The servicing entity shall provide policyholders and producers with information on how and where to report claims.
- b. The servicing entity is responsible for handling all claims properly and promptly in accordance with the terms of the contracts of insurance subject to the limits of coverage provided. ~~Claim adjustment practices and procedures of the servicing entity shall correspond with those followed for voluntary business.~~ Where unfair claim practices, regulations, or legislation ~~exist~~ exists, companies the servicing entity must comply with such regulations or legislation.
- c. The servicing entity must have the ability to service claims in every state, the District of Columbia, and Canada.
- d. Contact (First- and Third-Party Claimants)

Upon receipt (~~by mail or facsimile~~) of notification of a claim containing sufficient information to identify the insured, claimant, and policy number, the servicing entity must acknowledge receipt of such notice within the applicable state's regulations, including unfair claim practices laws and regulations. If the state has not established time guidelines, the servicing entity must acknowledge receipt of such notice to first-party claimants within 2 working days and third-party claimants within 15 working days and have the date of the acknowledgement documented in the servicing entity's claim file.

The servicing entity will provide first-party claimants with the necessary forms and instructions to permit compliance with all policy conditions.

e. Appraisal

Within the applicable state regulations, including unfair claims practices laws and regulations, an appraisal must be completed for the purpose of determining the cost of repair. If the state has not established time guidelines, an appraisal, or documented attempts, must be completed within 10 working days from the date of receipt of a specific claim, including damages and location of vehicle, by the servicing entity. If a second inspection is required, the servicing entity will document attempts for scheduling a second appraisal within two working days of notice for the need of the second appraisal.

f. Coverage

The servicing entity must verify that the proper coverage was in effect at the time of loss which covers the damages claimed by the first- or third-party claimant.

g. Investigation

The servicing entity must begin an investigation of any claim within 15 working days of receipt of notification of the claim.

The servicing entity must substantially complete an investigation of each claim within 30 working days after notification of a claim.

If, after 30 working days from notification of the claim, the completed investigation is insufficient to properly adjust the claim or the parties cannot agree to settlement, the servicing entity must notify the

policyholder, claimant, or authorized representative in accordance with the state's applicable regulations, including unfair claim practices laws and regulations, until the claim is settled or until both parties agree updates are no longer needed. If a state has not established any guidelines on this topic, the servicing entity will advise the claimant within 30 working days from receipt of proof of loss or settlement material, what outstanding information is required to adjust the claim. The servicing entity will continue to provide this update every 45 working days or until both parties agree updates are no longer needed.

h. Reserving

Reserving practices must comply with the requirements outlined in the Claims Guidelines Claim Guideline Manual.

i. Documentation/File Reporting

A file for each claim must be compiled by the servicing entity's claims staff, and should address coverage, liability, damage investigation, reserves, subrogation potential, and recommendations for future handling.

As claim handling continues, the file should be updated to address reserve adequacy, strategies, plans for future handling, and resolution.

j. Payment

All first-party physical damage claims shall be paid within the applicable state regulations, including unfair claim practices laws and regulations.

All payments not defined within state regulations, including unfair claim practices laws and regulations, will be paid within 30 working days after receipt of proof of loss, agreed appraisal amount, or written settlement agreement (unless the servicing entity has not completed the investigation necessary to make a decision or the parties cannot agree on settlement). Receipt of these documents does not waive the servicing entity's right to conduct an investigation prior to settlement and/or offer a reasonable settlement based upon the facts.

k. Final notice of close-out settlements will be furnished to producers within 30 working days of the closing date.

l. Expenses

All reported loss adjustment expenses must comply with the eligibility requirements outlined in the HJUP Accounting and Statistical Requirements Manual.

- m. Violations of claim handling performance standards may be referred to Commissioner for such action as is deemed necessary.

7. Surcharges

At the time of the initial application of a surcharge based on a driving record obtained from a state motor vehicle record, the servicing entity will furnish to the insured a listing of the accidents/convictions which determined the surcharge.

B. Procedures for Compliance with the Performance Standards for the Servicing Entity

The HJUP shall maintain a record of infractions of servicing entity performance standards.

1. ~~A The producer must forward a copy of the complaint mailed to the servicing entity is to be sent by the producer to and the HJUP. Such complaint is to be based upon noncompliance with servicing entity performance standards.~~
2. The HJUP may issue a servicing entity complaint for noncompliance with servicing entity performance standards.
3. The servicing ~~entity~~ entity's response shall be reviewed by the HJUP. If the complaint is determined to be invalid, the HJUP shall ~~so record it~~ document the complaint as invalid and notify the producer and servicing entity.
4. ~~In the absence of an acknowledgement from If the servicing entity stating resolution of fails to respond to the complaint within 20 calendar days, a follow-up letter will be sent to the servicing entity giving 10 calendar days to respond.~~
5. If after 10 calendar days the servicing entity does not respond, the HJUP will contact ~~an executive~~ a representative of the servicing entity and notify the producer.
6. If after ~~an executive~~ a representative of the servicing entity is contacted and the matter is not resolved, the ~~files~~ complaint will be turned over to the Hawaii Division of Insurance for further action and the producer will be advised of such action.

Section 29 is amended as follows:

Sec. 29. PERFORMANCE STANDARDS FOR PRODUCERS WRITING HAWAII JOINT UNDERWRITING PLAN (HJUP) PRIVATE PASSENGER NONFLEET RISKS

By registering and submitting business to the HJUP, a producer agrees to abide by the terms and conditions of the Hawaii statutes and administrative code, these Principles of Operation, and the Manual of Rules and Rates. It is understood that failure to abide by the procedures contained in these documents might result in a claim against a registered or unregistered producer's E&O Errors and Omissions (E&O) coverage or against the individual producer by the HJUP or others involved in adjudication of any resulting claim.

A. Original Applications

1. Private passenger applications must be electronically transmitted to the HJUP no later than two working days after completion in accordance with Section 23.
2. The full annual premium or deposit must be electronically transmitted gross with the application in accordance with Section 22.
3. Applications shall be fully completed and must include
 - a. necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility filings; ~~and~~
 - b. name, address, and tax identification number of the producer; and
 - c. signatures of the applicant and the producer.
4. The producer and applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was completed.

In no event shall ~~be~~ the application effective date be earlier than the date and time of transmission to the HJUP.

5. The producer shall maintain appropriate records for all risks submitted to the HJUP, including any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product. The producer agrees to permit inspection or photocopying of such office records by the HJUP or by a servicing entity representative.

B. Return Commission

Return commission shall be paid within 45 calendar days from the date of notice to the producer.

C. Policy Change Request

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

D. Dishonored Producer Checks

Producer checks dishonored by the bank shall be considered a violation of this performance standard. Any producer who submits to the HJUP or the servicing entity three checks within a 12-month period that are subsequently dishonored by the bank when presented for payment shall submit future payments by certified check, cashier's check, or money order.

Producers who are subject to the above provisions may be removed from this requirement after one calendar year from its imposition provided the producer has met the following terms:

- (1) the HJUP has received no additional notices of checks which were dishonored by the producer's bank after the producer was placed on the certified check requirement; and
- (2) the producer has resolved all dishonored checks.

Should the HJUP receive any additional notice(s) of checks which were dishonored by the producer's bank, the producer shall be referred to the Hawaii Insurance Division for review to pursue action against the producer.

Secs. 30–32. RESERVED FOR FUTURE USE

HJUP RETRACTION OF A COMMERCIAL APPLICATION

Defining the Issue

Once a producer completes a commercial application using the online application submission system, the application must be printed, signed, and submitted to the HJUP along with the deposit and the supporting documentation. Current procedures indicate that if the producer does not submit the commercial application, the deposit and supporting documentation to the HJUP after using the online application submission system, the HJUP will retract the application 20 calendar days following the date of transmittal. The HJUP will notify the applicant and producer that the application has been retracted and that the application is considered null and void and no coverage is in effect. The HJUP will increase the number of days for retraction of the commercial application from 20 calendar days to 45 calendar days.

Proposal

The commercial provisions are amended to change the timeframe the HJUP will retract a commercial application from 20 to 45 days if the producer does not submit the commercial application, the deposit and supporting documentation to the HJUP after using the online application submission system.

Impact

Adoption of these amendments will have the following impact:

- The HJUP will retract a commercial application 45 calendar days following the date of transmittal if the producer does not submit the commercial application with the deposit and supporting documentation to the HJUP.
- Once a commercial application has been retracted by the HJUP after 45 calendar days, the application is considered null and void and no coverage is in effect.
- The HJUP will no longer retract a commercial application 20 calendar days following the date of transmittal if the producer does not submit the commercial application with the deposit and supporting documentation.
- The producer can continue to retract a commercial application using the online electronic retraction process when:
 - coverage through the HJUP is no longer required, or
 - the producer has made an error in the information provided, or
 - the producer has, in error, requested more than one reference number for the same application.

Background

Effective October 1, 2023, the Principles of Operation – Commercial Automobile Part was amended to provide Hawaii licensed producers with guidelines on how to register, write and transmit commercial business to the HJUP. The provisions provided the requirements for mandatory electronic application submission, quoting assistance for producers to follow when applying for commercial coverage through the HJUP, and retraction procedures.

Prior to implementation, AIPSO's HJUP configuration team set the electronic application processing system's retraction period at 45 days. Amendments to the Commercial Automobile Part are proposed to mirror the HJUP electronic application processing system's retraction period.

Proposed Changes

COMMERCIAL PROVISIONS

Sec. 37. APPLICATION FOR INSURANCE

Paragraph D.4 is amended to change the timeframe for the retraction of an application by the HJUP from 20 days to 45 days.

Attachments

Exhibit A—Proposed Amendments to Section 37

Project-14073/Proposal-10998

COMMERICAL AUTOMOBILE PART

Sec. 37. APPLICATION FOR INSURANCE

Paragraph D.4 is amended as follows:

D. Retraction Procedure

4. HJUP Retraction of an Application

If the producer does not retract the application, the HJUP shall retract the application ~~20~~ 45 calendar days following the date of transmittal of the application. The HJUP shall notify the applicant and producer that the application has been retracted. The application shall be considered null and void and no coverage is in effect.