



Dipåtamenton Kontribusion yan Adu'ána

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

LOURDES A. LEON GUERRERO, Governor Mags'hága
JOSHUA F. TENORIO, Lt. Governor Sigundo Mags'láhi

DAFNE MANSAPIT-SHIMIZU, Director
Direktor
MICHELE B. SANTOS, Deputy Director
Segundo Direktor

BANKING & INSURANCE BOARD OF DIRECTORS MEETING

MINUTES OF THE MEETING VIA GOOGLE MEET

December 17, 2020, Thursday, 2:00 pm

PRESENT:

Michelle B. Santos, Banking & Insurance Commissioner

Roland Biscoe

Dean Manglona

Danilo Rapadas

Michael Sgro

West Cassidy

Leah Beth Naholowaa

Ray Schnabel

Peter Valdez

John McKinnon

ALSO, PRESENT:

Alice Sebastian-Cruz, Regulatory Examiner Supervisor

Nemencio David Briones, Regulatory Examiner II

Timothy CSA. Lujan, Special Projects Coordinator

Francine Salas, Senator Sabina Perez's Representative

1. CALL TO ORDER:

The Banking & Insurance Commissioner acknowledged the presence of all the Board Members and called the meeting to order at 2:05pm.

2. APPROVAL OF MINUTES

The minute of the prior board meeting held on November 7, 2019, was presented and opened for review and discussion. Two of the board members expressed their concerns and requested to make changes on the minutes. First was Mr. Cassidy wanted to clarify what he said on 1st paragraph of page 2, of the minutes "for the proposed fees of reinsurance companies stating that they are higher than premiums which may make it cost prohibitive". Mr. Cassidy stated that he wants to change it to they can be higher than premiums. Second board member is Mr. Manglona expressed concern on subsection A, 2nd paragraph on page 2 of the minutes. Mr. Manglona expressed concern with the allotment of time for enforcement. He stated that his concern is not having ample time to review the proposed regulations, especially considering we are seeking to enforce them and significantly increasing penalties for violations.

Commissioner Santos asked to get a motion for approval on stated changes made by Mr. Cassidy and concern of Mr. Manglona. A motion to approve the changes and the minutes was made by Mr. Rapadas and seconded by Mr. Manglona. Motion was unanimously approved.

Commissioner Santos asked Ms. Cruz to introduce all members of the board new and current. It started with the introduction of new Banking and Insurance Commissioner, Michelle Santos.

3. OLD BUSINESS

WebCE contract with DRT – online insurance licensing examination and Online Course Review. Commissioner Santos asked Ms. Cruz if this is informational only and asked her to explain their last meeting with Mr. Dan Tromblay

Ms. Cruz explained that the plan is to revise the contents of the insurance examinations. New and updated questions will be established for all LOAs like Life Insurance, Health, P&C, and Adjusters. WebCE will produce 300 questions on all categories and interchangeably and to be used by the examinees. The first set being worked on is for Adjusters. This will be finished by first quarter of 2021 then it will be followed by the P&C and then by life and health category. Ms. Cruz mentioned the industry members are instrumental in preparation of the Exam Content Outline (ECO) where WebCe are extracting their questions from

Mr. Schnabel stated that the various sectors of the insurance industry are very involved in working with Web CE in restructuring in order to pass the exams and fulfilling the continuing education requirements for licensing.

Commissioner Santos explained that the projected completion of the project is around end of August or early September of 2021. Content License and Distribution Agreement between DRT and Web CE was signed on July 21, 2020.

The Commissioner asked to move on to the second item which is the update on proposed amendments on Insurance Continuing Education (CE). Ms. Cruz explained that after DRT had finished compiling the revisions, they forwarded it to DRT's Oversight Chairman, Senator Sabina Perez. They met with Policy Analyst Ms. Francine Salas via Zoom on October 13, 2020 at 1pm.

Ms. Salas explained that the plan of Senator Perez to introduce it to legislature during the new 2021 term and the target date is by February of 2021. Ms. Salas added that potential issue is the new senators coming on board may have questions and may cause delays. The Commissioner added that there is no guaranty that Senator Sabina Perez will be the Oversight Chairwoman on the next Legislature.

4. NEW BUSINESS

Reminder memo was sent to auto insurance carriers on auto policy upload to DRT-DMV website in compliance with 16 GCA, Chapter 19, Section 19103 (4) (a).

Ms. Cruz explained to the board members that not all insurance carriers were complying with section of the law. Therefore, DRT sent out the Memo dated June 22, 2020 as a reminder to all automobile insurers. Assigned Risk was added on to the choices in the drop-down box so we are able to capture the motor vehicles that are under the Assigned Risk Program as mandated by law.

Commissioner Santos reminded that the two divisions that are behind in workload activity is Motor Vehicle and Driver's License because we are unable to service them due to Governor's order that limits who can service and 25% allowed capacity and only by appointment. We are pushing online registration and has been working very well for us, we're very up-to-date on that and we send it out daily and online registration is really working. She stated that the manner of getting policies uploaded really helps the Department.

Letter to insurance companies doing business but not admitted in Guam. Letters were sent to four (4) auto insurance carriers: Geico, State Farm, Progressive, and All State Insurance.

Ms. Cruz explained DRT discovered that military personnel, construction company employees or people coming to Guam on a temporary basis, who bring their vehicles from abroad, register their vehicle on Guam with insurance carriers not admitted to do business on Guam.

With the cooperation of DMV, we are now looking at vehicle registrations with off-island insurance carriers to obtain a copy of their auto policies with terms and conditions extending insurance coverage to territories of the US like Guam. We are looking to ensure they want to continue doing business on Guam, that they must be admitted. It's just not fair for the Insurance Carriers admitted on Guam to pay taxes and the foreign companies not admitted to be doing business in Guam without paying their fair share of tax payment. Ms. Cruz explained that these companies are cooperative and communicating with her and are working with their legal division to come to some kind of resolution.

5. DISCUSSIONS / OTHER MATTERS

Ms. Leah Beth Naholowaa asked the status of Banking and Insurance enforcement fund. Commissioner Santos said she will look into the matter and report at the next scheduled meeting. The former chief of administration of DRT has retired and she will have to see who is in charge and look the current position of the fund.

The Commissioner moved the discussion on cannabis and banking issues and she called on Mr. Rapadas. Mr. Rapadas stated that they would like to see little more visibility when they confirm and verify licenses and it takes lengthy time to verify individual. The Commissioner suggested to set up a point of contact as licenses come in related to cannabis and forward a list to the bank on a monthly basis. Mr. Rapadas agreed to her suggestion. He also added that almost 99% of the banks do not want to deal with marijuana business.

Mr. Rapadas also informed the Bank of Guam will closing four (4) branches and the FDIC approved it already. Ms. Cruz reminded Mr. Rapadas of the \$500.00 fee per bank branch closure which he acknowledged in return.

The following are tentative dates for 2021 Banking and Insurance Board Meetings:

March 11, 2021

June 7, 2021

September 16, 2021

December 16, 2021

6. ADJOURMENT

Meeting was adjourned at 2:57 pm.

/2021BoardMeetingIns&Bank (Minutes12172020)(w)