



BANKING AND INSURANCE BOARD MEETING

Date and Time: Thursday, April 24, 2025 at 2:00pm

Zoom Virtual Conference: Meeting ID 893 4373 8079, Passcode 1846635

Zoom Link:

<https://us06web.zoom.us/j/89343738079?pwd=GWdOZlVOuTEsQrYaEEVeXzqFdyNRN7.1>

Facebook Live: Guam Department of Revenue & Taxation

BOARD MEMBERS PRESENT:

Michele B. Santos – Banking and Insurance Commissioner
Danilo Rapadas – SVP/General Counsel & Chief Risk Officer, Bank of Guam
John McKinnon – VP Regulatory Risk Officer, BankPacific
William West Cassidy – EVP/General Manager, Pacific Indemnity Insurance Company
Raymond Schnabel – Century Insurance Company (Guam) Limited
Roland Biscoe – Insurance Producer
Jason Baza – Budget & Management Analyst Supervisor, Bureau of Budget and Management Research
Juno Eun – President & CEO, Core Tech Development, LLC

ALSO PRESENT FROM THE DEPARTMENT:

Alice P. Sebastian Cruz – Regulatory Programs Administrator
Michele Marie R. Rabago – Regulatory Examiner II

GENERAL PUBLIC:

Richard Nartia - CSCI

1. **Call Meeting to Order** – Commissioner Santos called the meeting to order at 2:01pm.
2. **Attendance – Roll Call** – Roll call of Board Members was taken by Commissioner Santos. A quorum was present. All Board Members were in attendance except for Member Attorney Dean Manglona. Member Cassidy joined the meeting around 2:04pm.
3. **Approval of Meeting Minutes Dated January 30, 2025** – A motion was made to approve the minutes by Member Baza and seconded by Member McKinnon. Board voting was unanimous.
4. **Old Business**
 - a. **Typhoon Mawar Claims** – Administrator Sebastian-Cruz provided an update of settled and outstanding claims as of April 15, 2025.

5. New Business

- a. **Insurance Testing at UOG** – Commissioner Santos reported there have been complaints about the frequency of the insurance testing at UOG. Administrator Sebastian-Cruz stated UOG use to proctor the exam twice a month and has now dropped to once a month. A discussion ensued regarding the reduction due possible lack of staff to proctor exams or due to low number of insurance applicants. Member Rapadas recommended a Statement of Work be drafted for UOG that way everyone has mutual understanding of expectations, especially if there are payments being made to UOG.

Member Schnabel reported there have been complaints on the difficulty of passing the insurance exam, particularly the health insurance exam.

Member Biscoe inquired if the insurance exam could be taken online via WebCE, to which Administrator Sebastian-Cruz responded that initially the goal was to keep the income on Guam by having the exam proctored exclusively at UOG; however, it would require the input and decision of the Commissioner and the Director Carlos Taitano of Global Learning & Engagement at UOG.

Member Eun mentioned that UOG will be taking over the operations of the NASBA CPA exam in October as the NASBA office lease is ending soon.

Commissioner Santos recommended Administrator Sebastian-Cruz schedule a meeting with Director Taitano to discuss the details and get further clarification of the concerns brought up in the meeting.

- b. **Draft Legislation for Prompt Payment** – Commissioner Santos sent out a draft legislation to the Board Members for their review. Commissioner Santos stated that because she does not have the authority to force insurance companies to pay/settle claims, a draft legislation can be introduced to the Legislature for prompt payment. Member McKinnon expressed he would be in favor of implementing such legislation that protects both the consumers and the insurance companies with reasonable payment timelines for individual and commercial claims. Member McKinnon expressed there needs to be a discussion with the insurance companies, more provisions for larger structures versus personal structures as the two may have different timelines, and added protection for insurance companies ensuring that payment settlements are used for what they are intended to be used for, as it seems funds are cashed out and not used to fix the actual insured property. Member Cassidy mentioned there seems to be concern for first party claims as opposed to third party claims to which Commissioner Santos mentioned we can tailor the draft to address specific concerns. Commissioner Santos stated introducing this draft will require many working sessions and will have to go through DRT's oversight chair, Senator Telo Taitague, for her to introduce to the Legislature. Members Schnabel, Cassidy, and Eun expressed their interest in participating in the working sessions to draft up the bill. It was advised to have an attorney present to which Member



Manglona is. In addition, Commissioner Santos reminded the Board that DRT has a Legal Team comprising of three (3) attorneys.

c. Bill 94-38 – Clarifies Selection of GovGuam Group Health Insurance

Contract – Commissioner Santos mentioned her role as Commissioner is not included in the negotiations of the contract. In addition, she reported the bill changes the contract from a single year to a multi- year contract. Member Baza mentioned the multi- year contract could potentially reduce costs in the future; however, he has not seen data to support the reduction, which he would be interested in reviewing. Commissioner Santos mentioned the Insurance Commissioner does not regulate the self-insurance plan and that ERISA (Employee Retirement Income Security Act) regulates which is administered by the Department of Labor.

6. Announcements / Open Discussion –

a. Insurance Report for 2023 sent to the Governor and Speaker –

Commissioner Santos reported she sent the 2023 Insurance Report to the Governor and the Speaker. Commissioner Santos mentioned copies will be available for those interested in obtaining the report. As for the 2023 Banking Report, the report almost complete as per Administrator Sebastian-Cruz. Commissioner Santos reported that DRT hired two (2) regulatory examiners, one external hire and the other internal hire from BPT/GRT Branch within DRT. Member Eun suggested two (2) things: there be a listing of the Commissioner and the Board Members of the Banking and Insurance Board on the guamtax.com website; and the financial audits be done locally. Member Cassidy provided clarification that insurance companies are required to do annual audits by a CPA and the 3-year financial examination requires a certified financial examiner to which there is none on Guam and is outsourced externally via RFP. Commissioner Santos reported that an RFP was sent out; however, only two applied which were submitted late. DRT's Legal Team is currently reviewing all DRT RFPs and the search for an external CFE has been put to a halt.

7. Schedule Next Meeting, Thursday, July 24, 2025 at 2:00pm – Commissioner Santos mentioned the next meeting date; however, if the date does change it is due to publication issues.

8. Meeting Adjournment – Commissioner Santos adjourned the meeting around 2:42pm.

Prepared By:



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Approved By:



Alice P. Sebastian-Cruz

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