



BANKING AND INSURANCE BOARD MEETING MINUTES

Date and Time: Thursday, September 21, 2023 at 2:00pm

Zoom: Meeting ID 845 5414 5227, Passcode 1844635671

Zoom Link: <https://us02web.zoom.us/j/84554145227?pwd=MTBSRDdneVRxbVV4OUhVZm8zbUVlUT09>

Facebook Live: Guam Department of Revenue & Taxation

BOARD MEMBERS PRESENT:

Michele B. Santos, Banking and Insurance Commissioner

Danilo Rapadas, SVP/Chief Risk Officer, Bank of Guam

John McKinnon, VP Regulatory Risk Officer, BankPacific

Raymond Schnabel, Chief of Operations, Calvo's Insurance Underwriters

Dean Manglona, Attorney, Civile & Tang, PLLC

Jason Baza, Budget & Management Analyst Supervisor, Bureau of Budget and Management Research (BBMR)

Michael Sgro, Fitness General Manager, Paradise Fitness

ALSO PRESENT:

Alice Sebastian-Cruz, Regulatory Programs Administrator

Michele Marie R. Rabago, Regulatory Examiner I

GENERAL PUBLIC:

Yukata Majima

Bobbie H.

1. **Call Meeting to Order** – Commissioner Santos called the meeting to order at 2:10pm.
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 Members West Cassidy and Roland Biscoe.
3. **Approval of Minutes of Dated March 16, 2023** – A motion was made by Member Attorney Manglona to approve the minutes and seconded by Member Rapadas. Board voting was unanimous.
4. **Old Business**
 - a. **Supervision College for Banking** – Based on the last Board meeting, the Commissioner reported that Pohnpei Banking Commissioner Jesse Giltamag would like to start a Supervisory College for Banking and has reached out to the Commissioner for assistance. Member Rapadas has been reviewing the material sent to him via the Commissioner and mentioned that as of the last Board meeting, he not received any communication from Commissioner Giltamag. The Commissioner mentioned that in her last email received from Commissioner Giltamag, he was requesting for banking training to which Member Rapadas mentioned that there are third parties that may be able to provide such training. The Commissioner mentioned she will contact the Banking Commissioner of Hawaii to see if they would be able to provide assistance to Commissioner Giltamag.

b. Meeting with Senator Sabina Perez Update – The Commissioner reported there was a public hearing at the Legislature this morning for Bills 122-37, 123-37, and 124-37 introduced by the Department’s Oversight Chair Senator Sabina Perez. The Commissioner reported she attended the public hearing alongside Administrator Cruz and Member Schnabel providing their testimonies in support of the Bills:

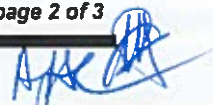
1. Bill 122-37 - An act to add §§ 15310.1 and 15310.2, all of Chapter 15, Title 22, Guam Code Annotated, relative to declaration of insurance dividends, and insurance loans and advances.
2. Bill 123-37 - An act to add a new Article 9, Chapter 15, Title 22, Guam Code Annotated, relative to establishing insurance adjuster licensing requirements.
3. Bill 124-37 - An act to add § 15103.1 and repeal §§ 15304 and 15305, all of Chapter 15, Title 22, Guam Code Annotated, relative to establishing a Uniform Certificate of Authority application.

The Commissioner mentioned she will meet with Senator Perez’s Office to discuss other bills the Senator will be introducing. The Commissioner mentioned Senator Perez is breaking up the Commission’s requests into smaller bills as it is easier to get the Legislature to pass them, instead of lumping all requests into one large bill which could be overwhelming for the Legislature to review and digest.

c. Perfuturo Insurance International (PII) – The Commissioner reported PII has had two resignations of their board, Orlene Arriola and Ruth Paredes, with board member replacement Tasi Pedicord. The Commissioner mentioned PII sent a letter requesting a meeting with her; however, the Commissioner stated she does not want to meet until PII provides her their board meeting minutes she requested for and, more importantly, infuses their capital on Guam which they have not done. The Commissioner stated she will not issue their license until they are compliant and fulfill the requirements.

5. New Business –

- a. Request for Proposal for Certified Financial Examiner Actuarial Services (RFP No. DRT-2023-001)** – The Commissioner reported she issued an RFP for Certified Financial Examiner (CFE) Actuarial Services that was picked up by two (2) people via the Department’s guamtax.com website and the deadline to submit completed application is Monday, October 16, 2023 at 4:00pm Guam time. The Commissioner reported CFE Actuarial Services are used to examine the insurance companies. The Government issues the RFP; however, the payment of services is paid to the CFE by the insurance company.
- b. State Based Systems (SBS) Training on Guam (September 18-26, 2023)** – The Commissioner mentioned the SBS Training Team arrived on Guam over the weekend and began training this Monday, September 18th. The Commissioner mentioned Administrator Sebastian-Cruz was instrumental in putting this automated online process together. Administrator Sebastian-Cruz reported the SBS Training Team of seven (7), which is led by the National Insurance Producer Registry (NIPR) via the support of the National Association of Insurance Commissioners (NAIC), will be the team to make the process of producer licensing online for Guam. Administrator Sebastian-Cruz reported that currently all producer licensing are done manually on paper on Guam which is both cumbersome for the regulators and the insurance industry. Insurance producers will be able to conveniently apply for their Guam license online, pay the fees, and print their licenses in real time. This automation will be cost effective as it will be paperless and alleviate the foot traffic to the office which will allow regulators to redirect their focus on other duties that require regulatory attention. Administrator Sebastian-Cruz announced that SBS will be on beta until the system is officially launched on April 1, 2024 which is when the insurance license renewal season begins. Administrator Sebastian-Cruz further added that there will be an SBS Training Team



coming out to Guam to train the insurance industry with applying/renewing licenses online. The Commissioner emphasized that going online is a big feat and will ensure the efficiency and control of the insurance producer licensing process moving forward.

c. **Tokio Marine Pacific Insurance Ltd.** – The Commissioner reported that the Office has received a letter from Tokio Marine Pacific Insurance Ltd. and received an announcement that Calvo's Insurance Underwriters will be purchasing the health portfolio of Tokio Marine Pacific Insurance Ltd.

6. **Open Discussion** – The Commissioner would like to hold a public hearing for the Guam Automobile Tariff (GAT) and the Home Owners Tariff (HOT). The Commissioner mentioned she will meet with the Department's legal team to get the public hearing moving with the assistance of Member Schnabel and the Insurance Association of Guam. The Commissioner mentioned she will keep the Board updated and would like for the public hearing to be in person with venue to be determined. The Commissioner mentioned the Department's legal team comprises of Attorneys Rebecca Perez Copper and Carl Espaldon with Sandra Miller to join the Team around mid-October, as Andrew Perez went to the Court.

The Commissioner reported that as a result of Typhoon Mawar, there have only been a couple of insurance complaints made to the Office which is pleasing to hear.

7. **Next Meeting Scheduled for Thursday, December 21, 2023 at 2:00pm**

8. **Meeting Adjournment** – A motion was made by Member Rapadas to adjourn the meeting and seconded by Member Attorney Manglona. Meeting adjourned at 2:44pm.

Prepared and Submitted By:



Michele Marie R. Rabago
Regulatory Examiner

Confirmed By:



Alice P. Sebastian-Cruz
Regulatory Programs Administrator

