



P.O. Box 2815  
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# Hawaii Captive Insurance Council

VOLUME 2, ISSUE 1

NEWSLETTER MAY 2011

## SPECIAL POINTS OF INTEREST:

- 168 active Captives in Hawaii
- HCIC has over 100 active members.
- HCIC established since 1987

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## Join HCIC At These Events!

The Hawaii Captive Insurance Council (HCIC) 2011 "Exploring New Horizons" Conference will explore the realms of opportunities to enhance your captive by utilizing strategies to continue to thrive and move forward despite the uncertainty of the global economy. This Conference will provide a wide range of educational seminars and speakers that will offer tremendous learning and networking opportunities. Sponsorship Forms and Session Submission Forms may be found on our website at [www.hawaiicaptives.com](http://www.hawaiicaptives.com)

The HCIC has selected the venue of The Ritz-Carlton, Kapalua, on Maui for the 2011 HCIC Forum, October 25-28, 2011. Explore beautiful white-sand beaches, premier golf courses and captivating surroundings that distinguish The Ritz-Carlton, Kapalua, Maui. This legendary hotel is located on the western edge of Maui, a paradise Hawaiians call the "Island of the Sun." For more information, visit [www.hawaiicaptives.com](http://www.hawaiicaptives.com)



- Conference rates available from: 10/23/11 - 10/28/11
- Conference rates: Run of House \$250/nt

**RIMS 2011 Annual Conference & Exhibition** will gather risk professionals from around the world for a common purpose: to share experiences and gain expertise. Be a part of this community and connect with colleagues, build new relationships and learn from industry experts. Visit the State of Hawaii Booth. RIMS 2011 will be held May 1 - 5, at the Vancouver Convention Centre West in Vancouver, BC.

Visit the HCIC Booth at the annual **VCIA 2011 Conference: The DNA of Captives** held August 9-11, 2011 in Burlington, Vermont. There will be over 60 seminar speakers with the most up to date industry information on the changing economic and regulatory world. This event is the captive industry's largest captive education and networking event!



George W. Sumner III, ACI  
Deputy Insurance  
Commissioner & Captive  
Insurance Administrator

**HAWAII  
CAPTIVE  
INSURANCE  
COUNCIL**

## A Message From The State

Given the economic conditions and the soft insurance market, 2010 was a very good year for the captive industry in Hawai'i. A total of 12 new companies were formed in Hawai'i in 2010, the most since 2005. Hawai'i continues to attract large, high quality parent organizations seeking a high quality captive domicile. And the trend continues in 2011 with four applications that should be licensed in the near future and another 10 in the pipeline. The timing is good since the Captive Insurance Branch (CIB) has added three new examiners over the last year, and a fourth is on the way. We have a great foundation to build upon and these new additions are qualified, energetic and will add to the depth and breadth of the CIB.

In 2011, due to the increased interest in formations, the CIB along with HCIC has a full schedule and will be developing business through informational briefings and promotional trips. At this point the plans are for CICA, NAIC, West Coast (San Francisco, Los Angeles, Seattle, and Portland), RIMS, VCIA, HCIC FO-

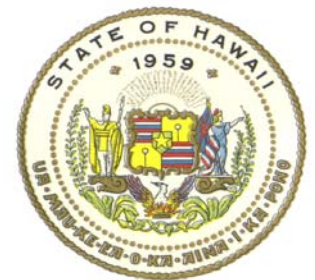
RUM, NRRRA, ASRUM, IRMI, and Japan\*. We will be covering eight states, two countries and one district. Some will ask, "Why so much travel?" The simple answer is: we intend our commitment to the industry and to showcase our domicile for organizations that would like to form or move their existing captives to Hawai'i.

Our new Governor Neil Abercrombie has re-appointed long time veteran and incumbent Commissioner, Gordon Ito. Commissioner Ito has been a longtime supporter of captives and I could not have been happier for him and the Insurance Division (and I am not just saying that because he is my boss!)

\*A special note on Japan: We were planning on our annual Informational Briefing in July of this year instead of November due to a conflict with APEC and we have placed the event on hold for obvious reasons. Our condolences go out to all of the Japanese people for their losses of family, friends' colleges and the overwhelming devastation that they are enduring. We will be returning at the appro-

priate time when we can be of assistance and not a hindrance.

Disasters whether it be a 911, the numerous hurricanes that hit Florida in the mid 2000's, or the earthquake, tsunami, nuclear meltdown that is going on in Japan may affect insurance market pricing. The captive industry and Hawai'i are positioned to step up and help organizations with their insurance needs. I believe it was a Chinese proverb or curse that said "May you live in interesting times".



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## APEC Coming to Hawaii

### Q1: Why is President Barack Obama coming to Hawaii in November 2011?

**A:** *Because the 2011 APEC Leaders' Meeting will take place in Honolulu on November 12 and 13, 2011; "We have reached one of those rare inflection points in history where we have the opportunity to take a different path – to pursue a new strategy for jobs and growth...And I believe the economies of this region have a leading role to play in getting us there." – President Barack Obama*

### Q2: What is APEC?

**A:** *The Asia-Pacific Economic Cooperation (APEC) forum is the premier economic organization in the Asia-Pacific region. Established in 1989 by 12 economies, including the United States, APEC fosters growth and prosperity by facilitating economic cooperation and expanding trade and investment throughout the region. APEC's 21 member economies today account for 55 percent of global GDP, purchase 58 percent of U.S. goods exports, and comprise a market of 2.7 billion consumers. Seven of America's top 15 trade partners are in APEC.*

### Q3: What is NAPEC?

**A:** *The U.S. National Center for Asia-Pacific Economic Cooperation (APEC) is the only U.S. business association focused exclusively on facilitating American private sector input to the APEC process. Representatives of the Center often serve on official U.S. delegations to APEC meetings, capitalizing on the Center's excellent working relationships with U.S. government agencies as well as with business and government representatives from APEC's 21 member countries.*

### Q4: What might Hawaii expect to see from APEC 2011 being hosted in Honolulu?

**A:** *Per Peter Ho, chairman of the APEC 2011 Hawaii Host Committee the summit is expected to generate some \$120 million in economic impact for Hawaii while establishing the destination as a crossroads of the Pacific. The event, which is the first APEC summit to be held in the United States since 1993, could fill as many as 120,600 Hawaii hotel rooms in what is traditionally the state's off-season. APEC will provide a tangible boost to Hawaii's visitor industry, but more importantly, Ho said it will provide an opportunity for the state to realize its long-lived goal of becoming the true Asia-Pacific crossroads for business and cultural exchange that was envisioned by author James A. Michener in his 1959 book "Hawaii."*

### Q5: To take us from the global-satellite political / economic macro view to an on the ground first hand detailed perspective we ask J.P Schmidt, former State of Hawaii insurance commissioner, newly elected HCIC board member and attorney in private practice to for his perspectives on how HCIC and the insurance industry might benefit from the fact that APEC 2011 will be held in Hawaii?

**A:** *Hawaii's Captive Industry is already benefitting from the APEC2011. I worked with the host committee to put in the promotional materials a section extolling our Captive Insurance prowess, boasting that Hawaii is the fifth largest domicile in the world, based on capital assets, in this cutting edge area of complex business practice. In addition, before the Leaders' Summit there will be Senior Ministers Meetings and a CEO Summit. There will be many opportunities to work with the media on the importance of insurance for economic growth and the benefits of alternative risk transfer. There will be numerous opportunities to network with high level business executives and government officials at lunches, dinners and cocktail parties if we are nimble enough to navigate the bureaucratic maze. I am working to highlight the importance of the Insurance Industry to economic development by lobbying to have Insurance added as a topic of discussion of APEC's committees, subcommittees and working groups. If it is announced at APEC2011 that Insurance will be a new topic of discussion that will draw some of the top Insurance Industry leaders to Honolulu in November to participate in the proceedings. There will be numerous opportunities for those of us in the Insurance and Captive Insurance Industries in Hawaii. It will be an exciting time.*

For more information on how you and your organization might be able to engage with APEC 2011 and beyond please direct your questions and comments to: [jpschmidt@legalthawaii.com](mailto:jpschmidt@legalthawaii.com) and/or [info@hawaiicaptives.com](mailto:info@hawaiicaptives.com)

<http://www.apec2011.gov/about/background/index.htm>

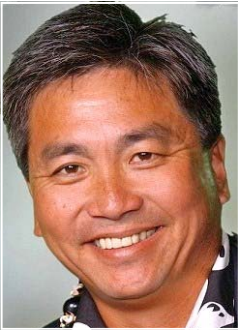
<http://www.whitehouse.gov/the-press-office/2010/11/12/remarks-president-ceo-business-summit-yokohama-japan>

<http://www.apec.org/>

<http://www.apec.org/About-Us/About-APEC/Mission-Statement.aspx>

<http://ncapec.org/>

[http://www.staradvertiser.com/business/20101021\\_APEC\\_summit\\_expected\\_to\\_bring\\_120M.html](http://www.staradvertiser.com/business/20101021_APEC_summit_expected_to_bring_120M.html)



## Watanabe Joins SRS

**Craig Watanabe** has joined Strategic Risk Solutions (SRS) as regional manager for Hawaii. In this role he will oversee the firm's operations in Hawaii and provide support to SRS clients in other domiciles. Mr. Watanabe is the former Deputy Insurance Commissioner and Captive Insurance Administrator for the State of Hawaii, a position he held for ten years. "We are very excited about Craig's decision to join us and pleased to be able to bring someone with Craig's expertise and experience to our firm", said Brady Young, President of Strategic Risk Solutions.

In addition to his role as a regulator in Hawaii, Mr. Watanabe has extensive experience with the financial and operational facets of captive insurance and multi-line property casualty insurance companies. "I am pleased to be returning to the captive insurance industry, where I have spent much of my career", said Craig Watanabe. "SRS has a strong presence in many onshore and offshore domiciles and I have been impressed with their focused and independent approach to captive management. I look forward to working with Ann and Brady in enhancing our servicing capabilities for our clients in Hawaii and other jurisdictions", added Watanabe. SRS's activities in Hawaii are part of its Western Division managed by Ann Wick, who will remain actively involved with Hawaii clients working with Mr. Watanabe.

Mr. Watanabe can be reached at [craig.watanabe@strategicrisks.com](mailto:craig.watanabe@strategicrisks.com).



## Aloha Donna Ikegami

Hawaii Captive Insurance Council bids **Donna Ikegami** a warm aloha as she leaves Char Hamilton Campbell & Yoshida to return to public service as an attorney with the Hawaii Insurance Division. Her year's of dedicated service are greatly appreciated and we wish her much success in her endeavors.



## Higa Hits Homerun

Babson College inducted one of our own into their prestigious Athletics Hall of Fame recently. One of the most talented players to ever grace the Babson diamond, **Kevin Higa**, Vice President of Bank of Hawaii and class of '03, helped lead their baseball program to 83 wins, four consecutive ECAC New England Tournament bids, and the program's second ECAC Championship in 2002. In 143 games, he recorded 198 hits, 136 runs scored, 41 doubles, 10 triples, 137 RBI, and 313 total bases—each of which ranks second among Babson's all-time leaders. In addition, his 18 home runs are third most all-time (first among right-handed hitters), his .353 average is seventh highest, and his two 19-game hit streaks are the second longest in program history. Higa still holds six single-season Babson baseball records, including 68 hits, 50 RBI, and 117 total bases in 2002.