



P.O. Box 2815
Honolulu, Hawaii 96803

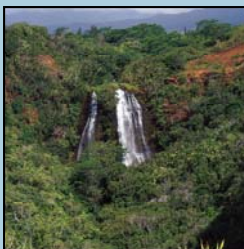
Hawaii Captive Insurance Council

FEBRUARY 2015

SPECIAL POINTS OF INTEREST:

- **194 active Captives in Hawaii**
- **HCIC has 90+ active members**
- **HCIC established since 1987**

SAVE THE DATE



The HCIC Annual Educational Forum will be held at the Grand Hyatt Kauai Resort & Spa October 27-30, 2015. Visit our website for more information.

About Us

Who we are

Established 1987
90+ active members

Members include:

- Captive owners
- Service Providers
- Others committed to the Hawaii captive industry

What we do

- Educate, advocate, and communicate
- Maintain, develop and promote Hawaii as a world-class captive domicile
- HCIC members benefit program
- Educational webinars and annual conference
- Liaise with other national captive organizations

Recent Accomplishments and Events

HCIC facilitates on-going dialogue with Hawaii State regulators, providing critical input from the captive owner's perspective

We hosted several educational webinars in 2014 regarding industry updates

HCIC hosts an annual captive conference on the Island of Oahu, attended by 250 people

We provided manpower and support for State of Hawaii exhibit booth at RIMS (Risk & Insurance Management Society) national conference, the world's leading event for risk and insurance professionals

HCIC members and Hawaii State regulators shared their expertise with the global industry through interviews with WRIN.tv

HCIC participated with other captive organizations and coalitions to promote captive industry issues both nationally and globally

MISSION

Guided by the Aloha spirit, the HCIC unifies and supports captive owners, regulators, legislators and captive service providers. The HCIC advocates on industry initiatives and objectives, educates on current and future issues and communicates this information to its members and prospective members to maintain Hawaii as a world-class captive domicile.

VISION

The Hawaii Captive Insurance Council supports Hawaii as a world-class captive domicile. We provide meaningful benefits to our members. Through our efforts, Hawaii is a leading captive domicile of the highest quality, known for its reliable regulatory approach and captive-business friendly environment.

Our membership is actively involved and engaged in HCIC's activities – where business and government work hand-in-hand towards a common goal with unity, shared involvement and responsibility; surrounded by the natural beauty of Hawaii.

Hawaii Means Business

Central to Hawaii's establishment as a world-class, regulatorily sophisticated and proactive captive domicile in 1987, is the focus on driving a complete and sustained business partnership between regulators and captive owners. The State had modeled its enabling legislation after the best off-shore and on-shore regulatory models that seeks to help Hawaii captive owners achieve a competitive advantage when organized in the State. The demanding captive owner expects all of the essential business infrastructure to run their business: world class transportation access, sophisticated and instantaneous business communications, exceptional legal, accounting and captive management professional services and unparalleled virtual and face-to-face meeting faculties. It is all here, in Hawaii. For the intelligent captive owner, **Hawaii Means Business**.

PROACTIVE AND FLEXIBLE REGULATORY PARTNERSHIP

Hawaii Means Business by assuring prospective and current captive organizers and owners that doing business in Hawaii involves a solid working partnership between owners and regulators. Hawaii's regulations are intent on helping your captive to succeed and prosper. Each new captive application is reviewed and discussed on its own merits. Proactive formation attention is paid to program structure, financial design, pricing, capital requirements/composition and investment approach. What this means is that Hawaii Insurance Regulators encourages a refreshingly new dialogue concerning the "how and why" a particular captive's approach would work and partner with the organizer or owner to maximize the "value" of the captive as a risk management and risk finance solution. By working together, a better captive solution can be reached.

HAWAII'S COST OF DOING BUSINESS IS COMPETITIVE AND COMPELLING

Hawaii Means Business by making sure that Hawaii is the most competitive domicile in the world with overhead costs that are lower than all other off-shore locations. There is no State Taxes on captives. Instead, Hawaii utilizes a graduated premium tax rate on applicable premiums with no minimum tax requirement. Premium tax rates have been capped at \$200K.

EXCELLENCE IN SERVICE PROVIDER TEAMWORK AND NETWORKS IS CRITICAL

As with any business, longevity and teamwork quality is an essential ingredient to success. **Hawaii Means Business** because in Hawaii, all of the captive service providers have a long track record of client service excellence and attention to detail. Hawaii's service providers are recognized experts in the areas of finance, law, risk management, alternative risk finance, claims management, captive specific investment strategy, actuarial services, insurance and reinsurance. The legal, accounting, captive management, investment and consulting community are committed to a level of professional excellence and innovative operational thinking unparalleled elsewhere. New risk financing ideas and new uses for captives are a hallmark of Hawaii's service provider network.

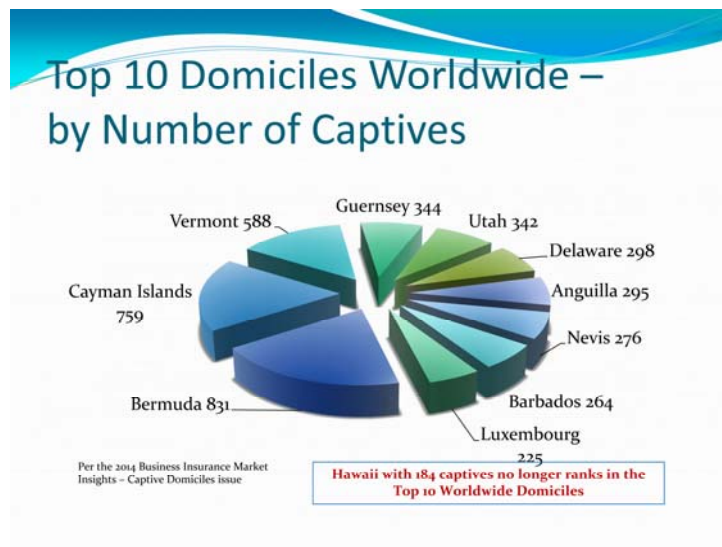
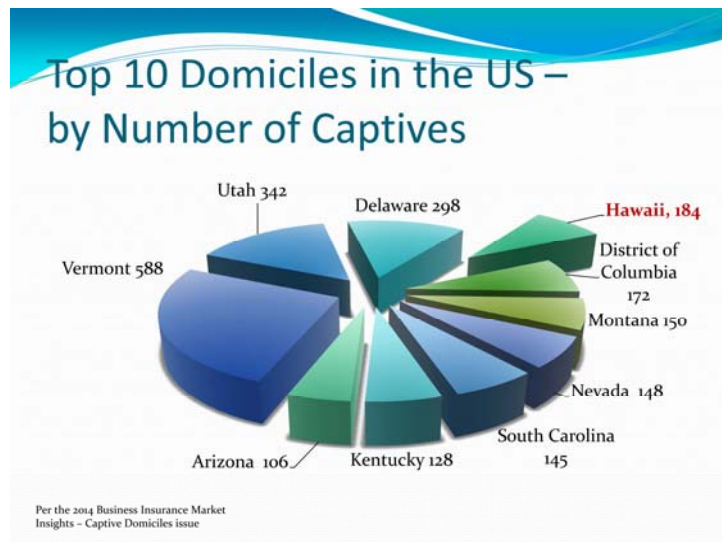
QUALITY AND SECURITY OF HAWAII'S REGULATORY ENVIRONMENT

When we say **Hawaii Means Business**, we are saying that Hawaii offers the discriminating captive organizer or owner the regulatory strength and security of an on-shore environment, with the flexibility and innovation of an off-shore domicile. Hawaiian State Government is committed to "growing" the best captives in the world. You can only do that by being strong regulatorily, smart and inventive in application, and willing to listen and partner with your clients. Hawaii's enjoys a time and place advantage as well. As a domicile that can be easily and inexpensively reached from all major North American, Canadian, Latin American and Asian cities, Hawaii gives the thoughtful captive owner a time advantage to do business. Using Hawaii's time zones as a tool, captive owners can easily execute underwriting, billing, reinsurance claims administration and other vital risk financial analysis in the same day. In Hawaii, we call this our "time value of location." Most important, Hawaii has demonstrated its ability to anticipate and quickly adapt to important captive business condition changes. Hawaii was the first to allow 501(c) not-for-profit captive formations. Healthcare and education companies have capitalized on this tax efficient risk finance method. Hawaii also welcomes ERISA employee benefit and well designed Risk Retention Group (RRG) captives. Also, Hawaii was among the first to license captives as Limited Liability Companies (LLC). What we will do next is entirely up to you, the captive organizer and owner. Captives are a serious business in Hawaii.

Hawaii Competes

By the Numbers:

- Number of US Domiciles when Hawaii enacted its captive law - 4
- Number of US Domiciles today - 35
- Hawaii's worldwide ranking, by number of captives - 11th
- Hawaii's US domestic ranking, by number of captives - 4th
- Hawaii's worldwide ranking for Japanese captives - 1st



HCIC Leadership Team 2014

Directors & Executive Officers		Additional Directors
Chair	Fay Okamoto, Artex Risk Solutions	Cynthia Belcher, Cooperative of American Physicians Insurance David Bell, Kaiser Permanente Peter Carlisle, O'Connor, Playdon & Guben LLP Helen Chang, Bank of Hawaii Jill Miura, KMH LLP Kristinn Olafsson, Captive Insurance for Public Agencies Scot Sterenberg, Marsh Management Services
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Milliman, Inc.

Perr Knight, Inc.

Petit Actuarial Group LLC

Sigma Actuarial Consulting Group Inc.

Taylor-Walker & Associates, Inc.

Captive Managers

Active Captive Management

Aon Insurance Managers*

Artex Risk Solutions, Inc.*

Beecher Carlson*

First Risk Management Services*

Pacific Risk Solutions, LLC *

Strategic Risk Solutions (West)*

Marsh Management Services, Inc.*

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Char Hamilton Yoshida & Shimomoto*

Goodsill Anderson Quinn & Stifel*

Haight, Brown and Bonesteel

McDermott, Will & Emory Petit Actuarial

Moore Ingram Johnson & Steele, LLP *

Claims Managers

CAPIC

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USA Risk Group

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Opus Investment Management, LLC

Wells Capital Management

Certified Public Accountants

Accuity LLP*

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KMH LLP*

Saslow Lufkin & Buggy LLP

Other

AM Best

BF Re Underwriting

XL Insurance

Zurich NA

* denotes service providers with Hawaii offices