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Grand Hyatt Poipu Kauai



Forum 2009

STABILITY • INTEGRITY • HAWAII

Stability. Integrity. Hawaii.

For many of us, this past year was one for the record books, filled with uncertainty, instability and daunting headlines. Living through these events is what led the Hawaii Captive Insurance Council (HCIC) to adopt the theme for this year's annual educational forum: **STABILITY • INTEGRITY • HAWAII**. Hawaii is unique in that captive owners take high ownership and interest in the domicile and in its annual conference. Hawaii has always been known as a well balanced domicile. Now, owner appreciation for the state's steady regulation and the veracity of its service providers has grown measurably.

Hawaii has been a leader and pioneer among onshore captive domiciles, and the HCIC has held forums in Hawaii since 1995. This Forum is even more important than those past, in that they will be closely examining the state of risk financing and how Hawaii is uniquely

positioned to address the needs dictated by the changing landscape.

We know now more than ever, it is absolutely critical that enterprises maximize their resources to extract value from their organizations. The 2009 HCIC Forum is expected to focus on the utilization of captives as part of an integrated risk management program for both prospective and current captive owners. The critical issues facing the marketplace, including the sources and uses of capital, collateral alternatives, new regulatory reporting requirements, and captive best practices will be put on the table.

As owners and service providers rub elbows, they will be addressing problems and finding opportunities to help achieve success for their respective organizations. The old Hawaiian proverb "no one is hurt by doing the right thing" will certainly ring true this year. ❖

The Hawaii Captive Reporter

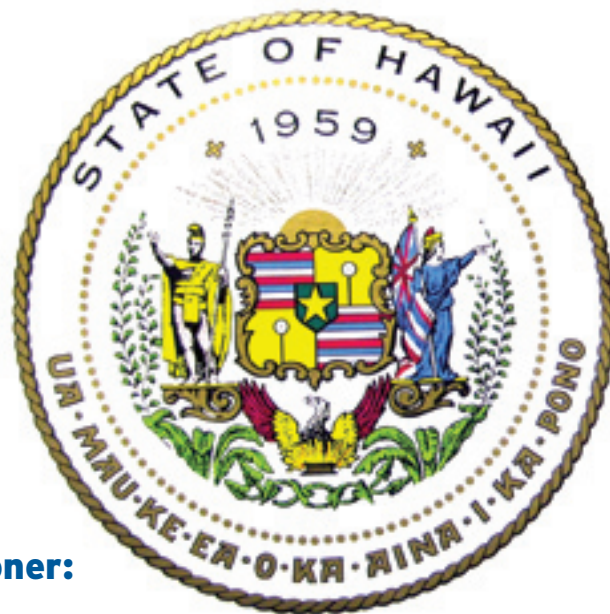
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State of Hawaii Captive Insurance Branch News



New Captive Administrator and Deputy Commissioner:

George W. Sumner III, ACI has been named as captive administrator, and deputy insurance commissioner for the Hawaii Insurance Division, George started his new position on October 1st of this year.

George has been in the captive industry for several years and was previously the leader of the Captive Insurance team with the Bank of Hawaii. George was also held several positions with the HCIC; chairman of the board, president, and chairman of the Marketing Committee.

George resides in Honolulu and has a long family history in Hawaii dating back to the early 1800's. One of his original ancestor's on his Mother's side was William Harrison Rice, and interestingly, there is a street and building near the Kauai museum that carries the Rice namesake.

Other Captive Insurance Branch news:

The State of Hawaii Captive Insurance Branch has maintained a stable group of examiners led by Chief Captive Insurance Examiner, Judy RD Nako. Ms Nako served most recently has Acting Captive Administrator and Deputy Insurance Commissioner. In addition to the core group of 7 examiners and staff, the insurance division has received clearance from the state to hire two additional examiners. Recruiting efforts are currently underway. ❖

CAPTIVE ANNIVERSARIES

CAPTIVE NAME	CAPTIVE ORGANIZER	YEARS
California Healthcare Insurance Company, Inc., A Risk Retention Group	California Healthcare Insurance Company, Inc., A Risk Retention Group	20+ years
CAP Insurance Co., Inc.	Pacific Marine & Supply Co., Ltd.	20 years
K-M Insurance Company, Inc.	Kelly-Moore Paint Company	20+ years
Royal Hawaiian Insurance Company, Ltd.	DFS Group, L.P.	20+ years
Front Range Insurance Company, Inc.	Continental Holdings, Inc.	10 years
Pacific Casualty Company, Inc.		10 years

Not all companies gave us authorization to print their company name, so this is not a complete list of 2009 anniversaries.

CONGRATULATIONS AND WELL WISHES

HCIC extends their congratulations to all captives celebrating these anniversaries in 2009. Thank you for your continued loyalty and commitment to Hawaii as a captive domicile,

and we wish you continued success for you and your captive programs. Here is what these special captive owners have to say about Hawaii:

“HAWAII NO KA OI.”
(Translation: *Hawaii is the best!*)

— Julie C. M. Ninomoto
President,
CAP Insurance Co., Inc.

. . .

“We have enjoyed our twenty-plus year relationship with the State of Hawaii and the office of Hawaii Insurance Commissioner. They have worked with us through both good and bad times and we look forward to many more years of having our captive domiciled in Hawaii.”

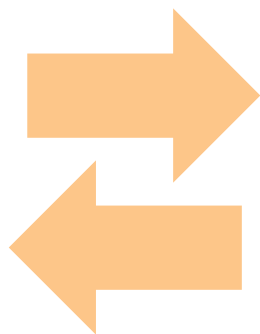
— Dan Stritmatter
Chief Financial Officer,
K-M Insurance Company, Inc.

“Over the course of our 20 year history California Healthcare Insurance has achieved an outstanding track record with the regulatory body. However, there have been occasions when support and or direction was required from the Hawaii Insurance Division. During those times the Insurance Division provided outstanding guidance and support. Several years ago the State of California billed CHI for retaliatory premium tax; not only did the Hawaii Insurance Division support CHI, it help by passing a law clarifying the retaliatory tax wording in the Hawaii statute which helped solidify our relative position.”

— Jeff Sousa
President/CEO,
California Healthcare
Insurance Company, Inc.,
A Risk Retention Group.

“My experience with Hawaii as a captive domicile has been very positive. Not only are they clear on what is expected from a captive, the State of Hawaii representatives are quick to respond to inquiries and requests from us. Whenever I encounter any staff they are always pleased to see or talk with you and they convey a friendly energetic and helpful attitude. This makes for a great working relationship and fosters the feeling that our captive is in the right place. It is also a great experience to know that HCIC is there keeping you informed and lobbying on your behalf.”

— Joseph Petko
Sr. Director,
Risk Management & Insurance,
Front Range Insurance
Company, Inc.



Industry Comings and Goings

Ellen Charnley has been named Office Head of Marsh Management Services in Hawaii. Ellen has worked in the Captive Insurance Industry since 1996 and has served as Senior Vice President and Team Leader for Marsh Captive Solutions in Hawaii and Bermuda.

...

Peter Joy has relocated to Hawaii to be the Strategic Account Leader for AON Global Insurance Managers in Hawaii. With over 30 years experience in the captive industry, Peter will be responsible for providing consulting advice to new and existing captives on matters such as structure, covers, best practices, new uses and planning.

...

Toni Kanehira has joined AON Global Insurance Managers as an Account Executive. Toni has 15 years experience in the Hawaii captive industry.

...

Emi Swaim has joined First Risk Management Services, Inc. as captive insurance manager. She will be responsible for developing and implementing captive insurance programs for new clients and for managing captive insurance companies in their day-to-day operations.

...

Teruko Lanzi has joined Marsh Management Services in Hawaii as an Account Manager. Teruko is a Certified Public Accountant and is bilingual in Japanese and English.

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UPCOMING EVENTS

NOVEMBER 9, 2009

**State of Hawaii Insurance
Division Captive Seminar
Tokyo, Japan**

MARCH 7-9, 2010

**CICA International
Conference
Orlando, FL**

APRIL 25-29, 2010

**RIMS 2010 Annual
Conference
Boston, MA**



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**Save
the
Date**

**OCTOBER
25-27,
2010**

HCIC FORUM 2010

OCTOBER 25-27, 2010 • JW MARRIOTT IHI LANI RESORT AND SPA, OAHU



The 2010 HCIC Forum will be held on Oahu at the JW Marriott Ihilani Resort and Spa.

*Looking north along
Oahu's west coast.*