



P.O. Box 2815
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Hawaii Captive Insurance Council

NOVEMBER 2013

Captive Anniversaries

SPECIAL POINTS OF INTEREST:

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

Congratulations to all captives celebrating 2013 milestone anniversaries, many of which are celebrating 10 and 20 years of success. HCIC appreciates your continued loyalty and commitment to Hawaii as a premiere captive domicile. *This is not a complete list; only companies granting the HCIC specific authorization to print their company name appear here.*

Captive Name	Captive Organizer	
Fraternal Insurance Company, Inc.	Moose International, Inc.	20 years
F.L. Insurance Corporation	Marriott International, Inc.	20 years
Opcal Insurance, Inc.	Occidental Petroleum Corporation	20 years
Contractors Insurance Company of North America, Inc., A Risk Retention Group		10 years
Cast & Crew Insurance Company, Inc.	Cast & Crew Payroll, LLC	10 years
Granite Assurance Company, Inc.	Robert A. and Karen McCaffrey	10 years
Vintage Insurance Inc.	SCS Development Co.	10 years
GC Insurance Company, Inc.	Guitar Center, Inc.	10 years
PS Insurance Company - Hawaii, Ltd.		10 years
First Pacific Indemnity Company, Inc.	Granville Homes	10 years
Paramount Insurance, Inc.	Webcor Builders	10 years
Meritage Insurance Group, Inc.	Keenan & Associates	10 years
Paradigm Indemnity Corporation	Samaritan Health Services, Inc.	10 years

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“Captive Anniversary Quotes”

Cast & Crew has had a very positive experience with the state of Hawaii. The regulatory support and quality of advisors has exceeded our expectations. We would recommend Hawaii as a preferred domicile to other organizations. *Sally Knutson, President, Cast & Crew Insurance Company, Inc*

We have been very pleased with the responsiveness and business friendly attitude by the Hawaii Insurance Division, Captive Branch. Their professionalism reaffirms our decision of Hawaii as a domicile for our captive. *Sherri Dodd, Chief Operating Officer, Granite Assurance Company, Inc.*

We have had our challenges in our 10 years, but we have an involved and conscientious management team through the process. We have always been supported by the Hawaii regulators and our service providers in Hawaii and are grateful for all they've done over the years to assist us and help us meet our goals and objectives. *David Triebes, VP, Paradigm Indemnity Corporation*

Captive Insurers in Hawaii Reach \$14 Billion in Assets

Total economic impact for 2013 forecasted at \$45 million

Honolulu, Hawaii, September 16, 2013 – Hawaii domiciled captive insurance companies completed the calendar year 2012 with just over \$14 billion in assets as reported by the State of Hawaii insurance division. According to the Hawaii Captive Insurance Council (HCIC), a trade association comprised of 75 member companies, Hawaii currently has 180 actively licensed captive insurers that contribute \$20 million dollars in direct spending on professional services and tourism related activities.

“Hawaii’s captive insurance industry has benefited from starting early and scaling up ahead of its rivals” notes local economist Paul Brewbaker of TZ Economics. The HCIC recently sought out the professional opinion of Dr. Brewbaker to help better understand the captive insurance industry’s quantitative and qualitative impact on the local economy.

The State’s cost of regulating the Hawaii-domiciled captive insurance companies is funded by the premium taxes and fees collected by the State from the captives. “With four new examiners, we are excited to be able to expand our outreach and support to our captives and potential new captives. We will continue to maintain prudent regulatory oversight while being responsive to our captives to ensure its continued success. Hawaii is fortunate to have a tremendous infrastructure consisting of knowledgeable and experienced regulators, captive managers, attorneys, and financial institutions who support our captives” observes State of Hawaii Insurance Commissioner, Gordon Ito.

“What’s great about this business segment is that we’ve built an internationally competitive industry here in Hawaii that has grown organically, leverages local professional expertise and infrastructure, and attracts long-term business into the State” says Fay Okamoto, chair and director of the HCIC. Hawaii attracts companies to its captive insurance domicile from predominantly the mainland but also from locales as far away as France and Japan. Additionally some of the state’s largest local employers have formed captive insurance companies. “Hawaii attracts high quality companies in good measure because of the prudent regulation from the insurance division. When Hawaii first passed its captive law, Vermont was the only real leading U.S. captive domicile but today over 30 states have captive insurance laws on their books. Hawaii is now facing meaningful competition from multiple domestic domiciles, and as a result, now more than ever, regulatory and legislative innovation and drive from the State are key elements that will assist the captive industry in maintaining its competitive position and grow” said Chris Mertes, HCIC President and captive owner executive.

Captive insurance is a regulated form of self insurance, prevalent in the industry since the 1970’s, and became a part of the Hawaii insurance code in 1986, when Hawaii passed Article 19 of its insurance law. Captive insurance companies are formed by companies or groups of companies as a form of alternative insurance to better manage their own risk. Captives are typically used for corporate lines of insurance such as property, general liability, products liability, or professional liability.

For more information on Hawaii’s captive insurance industry, visit www.hawaiicaptives.com

More “Captive Anniversary Quotes”

We have been in Hawaii for 20 years, and have nothing but good things to say. It has been an outstanding domicile for us. We were in Vermont from 1986 to 1993. *Joseph R. Mech, Secretary/Treasurer, Fraternal Insurance Company*

Thank you for recognizing GC Insurance’s tenth anniversary! *John Unger, Jr., Treasurer, GC Insurance Company, Inc.*

Meritage was formed to provide superior insurance solutions to our California public school clients and it met its goals successfully over the years. We appreciate the guidance and support we have received from the Hawaii Department of Insurance and our Hawaii service providers. The HCIC does a great job of representing its owner members’ needs. *Keith Pippard, Vice President, Meritage Insurance Group, Inc.*