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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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HAWAII LICENSES ITS 100TH CAPTIVE

HONOLULU – Friday, August 31, 2001– Insurance Commissioner Wayne Metcalf announced today the licensure of Hawaii’s 100th captive insurance company, Aquablue Insurance Company, Inc.

“The issuance of our 100th license represents a milestone for Hawaii’s captive insurance industry,” said Governor Benjamin Cayetano. “The emergence of Hawaii as one of the top locations in the world for captive insurance business is a direct result of the coordinated efforts of the public and private sectors in developing a prudent regulatory framework and effective infrastructure for this specialized business.”

Aquablue Insurance Company, Inc. is directly owned by the Citizen Watch Company, Ltd. of Japan, one of the world’s leading developers and manufacturers of timekeeping systems and components. It is the eighth captive licensed by the State in 2001, and the second captive to be directly owned by a non-U.S. parent to insure non-U.S. based risk.

A formal ceremony presenting the Certificate of Authority is anticipated to be made in Tokyo later this year when a delegation from Hawaii conducts informational briefings there.

Since the enactment of its initial captive legislation in 1986, Hawaii has taken a prudent approach to the regulation and development of its captive insurance industry.

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Press Release
Re: Hawaii Licenses Its 100TH Captive
August 31, 2001
Page 2 of 2

This ongoing commitment was sustained in 1999, when the Legislature and Governor recognized the worldwide demand for captive insurance alternatives, and went on to approve measures to establish and provide funding for a specialized branch within the Insurance Division to monitor, regulate, and develop this industry in Hawaii.

Captive insurance is a formalized approach to self-insurance, where an organizer sets up a separate legal entity that obtains a special license to provide insurance to the organizers and its affiliates.

Hawaii is one of the top ten locations in the world for captive business, and one of two states in the U.S. that have issued 100 licenses. Captive insurance is a means for financially stable and responsible companies and organizations to better control their insurance costs.

For the year-end 2000, Hawaii captives maintained over US\$ 1.6 billion in assets, wrote US\$264 million in premiums, and maintained US\$ 275 million in investments through local Hawaii financial institutions. This local industry creates specialized jobs for insurance managers, accountants, auditors, banking and investment managers and attorneys, and also enhances the State's business-oriented visitor industry. The estimated economic benefit to the State for 2000 was US\$ 16.5 million.

For further information, regarding this press release contact Insurance Commissioner Wayne Metcalf at (808) 586-2790, or check the website at <http://www.state.hi.us/dcca/ins/branches3.html> .

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