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WAYNE METCALF
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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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Future of captive insurance industry in Hawaii is bright

HONOLULU – November 21, 2002 – In his noon address to the Hawaii Captive Insurance Council at the Ala Moana Hotel, Insurance Commissioner Wayne Metcalf today announced that Hawaii's captive insurance industry is well-positioned for the challenges of the future.

"The captive insurance industry in Hawaii is well-positioned to experience even greater success in the future. Over the past few years the number of captive licensees has more than doubled and interest in Hawaii as a captive domicile is at an all-time high.

"With captive friendly laws enacted by the Legislature and responsible regulation, Hawaii's captive insurance industry has developed into a sustainable industry with a very bright and exciting future," Metcalf said.

Since Metcalf was first appointed Insurance Commissioner in 1994:

1. Captive licensees have more than doubled from about 40 to almost 100 active licensees;
2. The direct economic benefit to the State increased from less than \$1 million annually to over \$5 million; and
3. A branch within the Insurance Division dedicated to regulate and develop the captive industry was established.

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“Through the diligent efforts of the Division’s Captive Insurance Branch, we have become more efficient and effective in:

1. Processing and reviewing captive applications;
2. Responding to inquiries with informational briefings and presentations;
3. Advocating improvements to statutes and regulations;
4. Conducting financial surveillance and examinations; and
5. Coordinating promotional and developmental efforts with the private sector.”

Captive insurance is a formalized approach to self-insurance, where an organizer (for-profit or not-for-profit) establishes a legal entity and obtains a special license to provide insurance to the organizers and its affiliates. Hawaii is currently one of the world’s top locations for captive insurance companies and second in the nation. Hawaii is the largest captive insurance domicile in the Pacific Rim. The Hawaii captive insurance industry creates jobs for insurance managers, accountants, actuaries, auditors, banking and investment managers and attorneys, and also enhances the State’s business-oriented visitor industry.

The Hawaii Insurance Division oversees the insurance industry in Hawaii; issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints and prosecutes motor vehicle insurance fraud cases.

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