



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of the Director

News Release

LINDA LINGLE
GOVERNOR

RONALD BOYER
DIRECTOR
Phone: (808) 586-2850
Fax: (808) 586-2856

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HAWAII INSURANCE COMMISSIONER J.P. SCHMIDT RESIGNS TO JOIN HONOLULU LAW FIRM

HONOLULU – J.P. Schmidt, Insurance Commissioner of the State of Hawaii, will be leaving his position to join the Honolulu law firm of Bays Deaver Lung Rose Holma, effective July 1.

Schmidt will be practicing General Business, Corporate and Government Regulatory Law with particular concentration in Insurance, Health and Captive Insurance matters. Bays Deaver Lung Rose Holma is a law firm concentrating in business and real estate transactions and litigation. “I think we achieved a lot of good things for the people of the State of Hawaii and I’m happy to be able to continue working with the Insurance Industry with the outstanding attorneys at Bays Deaver Lung Rose Holma,” said Schmidt.

“The addition of Schmidt to the firm will compliment the real estate, construction, and business practice areas of the firm, and provide a wealth of additional resources for the firm’s clients,” said Managing Partner Karin Holma.

Schmidt was appointed Insurance Commissioner in February of 2003 and has served longer than any prior State Insurance Commissioner. In Hawaii the average term for insurance commissioners is two and a half years. Previously, Schmidt served as Corporation Counsel of Maui County and was a partner in the Wailuku law firm of Crockett Nakamura and Schmidt. Commissioner Schmidt’s accomplishments during his term have provided significant benefits to the people of Hawaii.

Most recently he has been analyzing the implementation of the new Federal Health Reform Law in conjunction with Hawaii's Prepaid Health Care Act. Under Schmidt's guidance, the Insurance Division has helped stabilize and grow the insurance industry in Hawaii. Schmidt moved to get a handle on worker compensation premiums that had spiraled out of control and reduced premium rates more than 60 percent over the next five years. Schmidt helped bring in Summerlin Health and Life and numerous new hurricane insurers to the market to provide more competition in these important lines. Auto and homeowners markets have been competitive with premiums coming down in the last few years. Dongbu, one of South Korea's largest property and casualty insurers, came to Hawaii under the Port of Entry Law that Schmidt promoted.

Commissioner Schmidt also worked to expand Hawaii's reputation internationally by acting as chair of the National Association of Insurance Commissioners' International Regulatory Working Group, hosting interns from China Insurance Regulatory Working Group, South Korea, Thailand and Egypt. Commissioner Schmidt teamed with the U.S. Trade Representative in WTO negotiations with the Government of Japan to privatize the Japan post office insurance entity, Kampo, which had become the largest insurance company in the world. The Captive Insurance Branch has attracted several Japanese companies such as Sanyo, Kubota Tractor and Citizen Watch to form captives in the state. Hawaii is the second largest captive insurance domicile in the U.S. and 10th largest in the world.

The Insurance Division improved its efficiency while simultaneously increasing consumer protection. It used to take six months to a year for a company to get a license to do business in Hawaii, with 150 companies on backlog. Now, thanks in large degree to improved procedures implemented by the Insurance Division under Schmidt, a company can obtain approval in 60-90 days, and there is no backlog. The Insurance Division was responsible for uncovering the 10 million dollar fraud perpetrated by a former attorney against his clients, and recovered all funds. During his tenure, Schmidt also revoked the licenses of several insurance agents who had been preying on the elderly.

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For more information, contact:
Christine Hirasa
Public Information Officer
Phone: 586-2622
Email: chirasa@dcca.hawaii.gov