



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

DCCA News Release

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HAWAII CAPTIVE INSURANCE CHIEF RECEIVES NATIONAL AWARD

HONOLULU -- Craig Watanabe, head of the Captive Branch in the Insurance Division, Department of Commerce and Consumer Affairs (DCCA), has been given the national award for Outstanding CPA in State Government for 2006 by the American Institute of Certified Public Accountants (AICPA). The award was presented at the AICPA's 23rd Annual National Governmental Accounting Update Conference in Washington, D.C.

"We are very proud and fortunate to have Craig working with us," said Insurance Commissioner J. P. Schmidt. "Craig Watanabe is recognized throughout the world as an expert in the complex, cutting-edge field of captive insurance."

Captive insurance is a kind of formal self-insurance, where large companies set up their own insurance company to cover their risks. Smaller companies may take advantage of a similar alternative risk management approach by banding together in a risk retention group.

Since 1999, Watanabe has overseen the state's regulation of the captive insurance industry. Under his direction, the number of companies domiciled in Hawaii has tripled to 161, and the combined total assets of the companies have grown from \$1.5 billion to \$6.5 billion in 2005. Hawaii is the second largest Captive domicile in the United States and is in the top ten in the world, based on the number of companies. Based on total combined assets, Hawaii is one of the top five domiciles in the world.

Due to Watanabe's leadership, the expertise of his staff and the many private sector attorneys, captive managers, accountants and actuaries, who provide support to the industry in Hawaii, many Fortune 500 firms, such as Nike, Intel, E-Bay, and Clorox have set up captives in Hawaii. Respected Japanese companies such as Mitsui Trading, Sanyo and Nissan Motor Company have also found that setting up captives in Hawaii benefits their bottom line. In addition, a number of hospitals and healthcare providers, large construction firms and home builders have also set up captives in Hawaii.

"Craig is recognized as a tough, but fair regulator. He is also creative and works closely with the companies so they can achieve their goals. Craig Watanabe is truly a valuable asset for the State of Hawaii," said Commissioner Schmidt.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education.

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