



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
Insurance Division

## DCCA News Release

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### **COURT ORDER ALLOWS HAWAII'S INSURANCE COMMISSIONER TO TAKE OVER HAWAIIAN INSURANCE & GUARANTY COMPANY, LTD. (HIG)**

HONOLULU - The State's First Circuit Court today granted Hawaii Insurance Commissioner J.P. Schmidt an Order of Rehabilitation on The Hawaiian Insurance & Guaranty Company, Ltd. ("HIG").

The order authorizes Commissioner Schmidt to take possession and control of HIG's assets and to assume the powers of the company's directors and officers for the protection of policyholders, creditors, and the public. HIG's current Board of Directors consented to the issuance of the rehabilitation order, which is effective immediately. The order allows the Commissioner to take the necessary steps to improve HIG's financial condition.

HIG's financial condition has been adversely affected by the experience of its parent company, Vesta Fire Insurance Corporation ("VFI"), and VFI's affiliated insurance companies. Schmidt and insurance regulators from other states are currently considering a number of options, including proposals from companies that will provide additional capital to VFI and HIG.

During rehabilitation, insurance coverage will continue; the company will continue to collect payment of insurance premiums and claims will be serviced and paid.

"This order authorizes me to act on behalf of HIG and to assume legal control of HIG's assets and property," Schmidt explained. "It is imperative to explore alternatives that offer the most favorable protection to policyholders, creditors, and the public. At the same time, HIG policyholders should check with their insurance agents or other insurers if they have questions about their insurance coverage or wish to consider other options."

HIG, an insurance company with its principal offices in Honolulu, Hawaii, sells homeowners and motor vehicle insurance policies in Hawaii and California. HIG has approximately 26,000 policyholders in Hawaii and is the state's fourth largest provider of homeowners insurance.

Consumers may view a listing of homeowners and motor vehicle insurers at the Insurance Division's website, [www.hawaii.gov/dcca/ins](http://www.hawaii.gov/dcca/ins).

The Insurance Division is an agency of the Department of Commerce and Consumer Affairs (DCCA). It regulates insurance companies for financial responsibility and compliance with the Hawaii Insurance Code. Policyholders with questions may call HIG at (808) 536-2777 or the Hawaii Insurance Division at 586-2790.

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