



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

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**MAJOR JAPANESE CREDIT CARD COMPANY ESTABLISHES HAWAII
CAPTIVE INSURANCE COMPANY**

HONOLULU – JCB Co., Ltd. (“JCB”), a major global payment brand and leading credit card issuer and acquirer in Japan recently selected Hawaii as the home for its new captive insurance subsidiary, PermCore Insurance Co., Ltd. (“PermCore”).

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.

“This is another example of the innovative and dynamic use of Hawaii captives, and represents the continuing success of the State’s efforts to maintain a reputable and attractive environment for this specialized kind of business,” said Hawaii Insurance Commissioner J. P. Schmidt. “Interest in new captives in Hawaii continues to be strong, and Hawaii’s captive industry continues to do a superior job in meeting the dynamic insurance and risk financing needs of businesses in the U.S. and abroad.”

Commissioner Schmidt issued a license to PermCore on April 1, 2008 to provide reinsurance for several kinds of insurance coverage which JCB provides to its customers.

JCB was established in Japan in 1961 and has maintained a leading position in the Japanese credit card industry by providing superior service - an ability honed in response to the rigorous service requirements of Japanese consumers. There are currently 58.08 million members worldwide who use the JCB card, which is accepted by 13.53 million merchants in 190 countries and territories. JCB’s annual transaction volume is approximately US\$60.9 billion.

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JCB Captive Insurance Company

“We considered several potential locations for our captive insurance operations, and selected Hawai‘i because of the positive attitude and proven experience of the insurance regulators and service providers”, said Mr. Katsumi Mori, executive vice president, Strategic Market Development Department, JCB Co., Ltd. “The commitment and knowledge demonstrated by the Hawai‘i captive industry is consistent with our company’s philosophy of unsurpassed service in the most reliable and efficient manner possible.”

Since Hawai‘i’s captive law was enacted in 1986, the State has issued over 200 captive licenses, of which 164 are active today. For 2007, Hawai‘i’s captive industry had estimated total combined assets of US\$6.5 billion, of which approximately US\$1.2 billion was invested in or through Hawai‘i-based financial institutions.

Hawai‘i is one of the few captive jurisdictions in the world which maintains a dedicated branch within the government to provide for the regulation and development of this special kind of industry. Hawai‘i’s Captive Insurance Branch is headed by Deputy Insurance Commissioner Craig Watanabe, and includes nine full-time Certified Public Accountants, Certified Financial Examiners and insurance regulation specialists who provide for the licensing, surveillance and development of all Hawai‘i-licensed captives.

“The evolving needs of business owners and the dynamic environments in which they operate has made it imperative for us to maintain appropriate technical expertise in the regulation and prudent development of this unique industry,” said Watanabe.

The approved professional service providers for PermCore include: Marsh Management Services (Hawai‘i) as captive insurance manager, Bank of Hawai‘i and First Hawaiian Bank for local banking and investment services; Goodwill Anderson Quinn & Stifel as local legal counsel, KMH LLP as independent auditor, Perr & Knight as independent actuary, and Marsh Broker Japan Inc. as risk management advisor.

For more information, contact the Captive Insurance Branch of the Insurance Division at (808) 586-0981 or log on to the branch’s website at www.captiveinsurance.hawaii.gov .

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