



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

DCCA News Release

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Respected Japanese Company Chooses Hawaii for Captive Insurance

HONOLULU – Governor Linda Lingle today announced the recent licensing of the newest Hawaii captive insurance company that will be used to insure the national and international risks of its Japanese-based parent company.

“It is with great pleasure that we welcome Mitsui & Co., Ltd. and its captive insurance company, Insurance Company of Trinet (U.S.A.), Inc. [“ICT”], to the State of Hawaii,” said Governor Lingle. “We look forward to the continued development and refinement of this important industry that enables businesses to efficiently manage their insurance costs. The growth of this industry in Hawaii also helps to diversify our economy.”

Mitsui & Co., Ltd. is a publicly traded *sogo shosha*, or general trading company, that is engaged in the worldwide trading of various commodities, financing of trade activities, and the organizing and coordinating industrial projects through its worldwide business networks. For the fiscal year ended March 31, 2003, the company had revenues of approximately Yen\$570 billion (US\$4.8 billion), and total assets of Yen\$6.5 trillion (US\$54.2 billion).

A formal licensing ceremony was held on May 19 in Tokyo, where State of Hawaii’s Insurance Commissioner J. P. Schmidt personally presented Mitsui & Co., Ltd., with a license to operate a captive insurance subsidiary in Hawaii.

“ICT’s licensure represents the 9th captive to be licensed by Hawaii to insure domestic and global risks of Japanese businesses”, said Commissioner Schmidt. “The people of the State of Hawaii and the people of Japan have a profound and special relationship that will enable us to help Mitsui achieve its risk management goals. We are honored by Mitsui’s choice of Hawaii for this important business endeavor.”

The other Japanese-related companies that have established Hawaii captives include Nissan Motors, Kokusai Kogyo, Heiwa, Citizen Watch, Kinki Nippon Tourist, Kajima, and Yazaki International.

Mr. Genya Iwasaki, President of ICT said, "We have captives in other jurisdictions around the world, but decided to establish in Hawaii because of its favorable financial, investment and tax environments."

Mr. Iwasaki added, "The Hawaii regulatory officials were very helpful in helping us understand their requirements, as well as, taking the time to understand our financial and operational environments, and some of the regulatory issues that our companies must deal with in Japan and abroad. Such a high level of expertise and commitment is not always found in other locations."

ICT is jointly managed by InterRisk Research Institute and Consulting, Inc. in Japan, and Becher + Carlson Risk Management Services, Inc. in Hawaii. Local Hawaii service providers include legal services by Goodwill, Anderson, Quinn & Stifel, independent audit attestation services by PriceWaterhouseCoopers, and banking and investment management services by Bank of Hawaii.

Captive insurance is a formalized approach to self-insurance, where an organizer sets up a separate legal entity that obtains a special license to provide insurance to the organizers and its affiliates. Hawaii's enabling captive legislation was signed into law in 1986, and the State is currently one of the world's top ten locations for captive insurance companies and the premier domicile in the Pacific Basin with over 100 active licensees and approximately US\$2.8 billion in total assets at December 31, 2002.

Development and oversight of the captive insurance industry rests with the Insurance Commissioner of the Insurance Division of the State of Hawaii's Department of Commerce & Consumer Affairs. For further information, contact the Captive Insurance Branch of the Insurance Division at (808) 586-0981 or check the website at:

<http://www.state.hi.us/dcca/ins/captives.html>

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