



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

DCCA News Release

LINDA LINGLE
GOVERNOR

MARK E. RECKTENWALD
DIRECTOR
Phone: (808) 586-2850
Fax: (808) 586-2856

FOR IMMEDIATE RELEASE: January 19, 2007

HAWAII INSURANCE COMMISSIONER REPRESENTS U.S. REGULATORS IN TALKS WITH GOVERNMENT OFFICIALS IN JAPAN AND CHINA

HONOLULU – Hawaii State Insurance Commissioner J.P. Schmidt has been asked by the National Association of Insurance Commissioners (NAIC) to represent U.S. regulators in Financial Sector Working Group Dialogues in Tokyo, Japan, and Beijing, China. Commissioner Schmidt will be joining representatives from the U.S. Treasury Department, Federal Reserve Board, Federal Deposit Insurance Corporation, Securities Exchange Commission, Office of Comptroller of the Currency and the Commodity Futures Trading Commission.

The meetings, scheduled for next week, between regulators from the United States, Japan and China are aimed at improving government regulation in the financial services industries.

“The business of insurance has become a global industry, which requires adherence to best principles in regulation for the benefit of companies and citizens,” stated Commissioner Schmidt. “Hawaii has a long-standing and special relationship with China and Japan.”

The improvement of regulations in each country will make it easier for companies in Hawaii and the U.S. to do business in Japan and China. Companies in China and Japan may also find it easier to do business in Hawaii and the United States. Commissioner Schmidt proposed the law establishing Hawaii as a Port of Entry (2004), which simplifies the process for insurance companies from other countries that want to do business in the United States.

The issues in Japan will include the Interstate Compact for Life Insurance Products, the Reinsurance Evaluation office and other new initiatives at NAIC. There will be discussion on the progress of the privatization of Kampo (the insurance arm of the Japan postal service), regulation of Kyosai (small insurance associations) and bank insurance.

Two years ago, Commissioner Schmidt, representing the State of Hawaii, was asked by NAIC to join with the U.S. Trade Representative in scheduled trade talks. At that time, the Government of Japan agreed to proceed with the privatization of Kampo. Prime Minister Junichiro Koizumi proposed the bill for privatization, but it did not pass both houses of Parliament. Koizumi then dissolved Parliament and called for new elections. After the elections, the bill for privatization passed.

The agenda in China will also include new product approval, investment performance of insurers and asset allocation. The Hawaii Insurance Division hosted four officials of the China Insurance Regulatory Commission (CIRC) as part of the NAIC internship program over the past three years. These deputy directors and section chiefs of CIRC stayed at the Hawaii Insurance Division for a month long program studying the regulatory practices in the U.S.

“These dialogues and working programs strengthen Hawaii’s special cultural and business relations with China and Japan,” said Schmidt.

For more details, call the Hawaii Insurance Division of the Department of Commerce and Consumer Affairs at 587-6742.

###

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