



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

NEIL ABERCROMBIE
GOVERNOR

GORDON ITO
INSURANCE COMMISSIONER
Phone (808) 586-2799
Fax: (808) 586-2806

KEALII S. LOPEZ
DIRECTOR
Phone: (808) 586-2850
Fax: (808) 586-2856

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Kaiser, HMSA Post Gains In 2012

HONOLULU – Hawaii Medical Services Association and Kaiser Foundation Health Plan (Hawaii) reported to the Hawaii Insurance Division that each posted profits in 2012.

HMSA reported a profit of \$36 million and KFHP reported a profit of \$1.7 million, a net return of 1.5 percent and 0.2 percent respectively. The profits are primarily as a result of net gains in investments, not operating revenue.

"It is encouraging to see that the health insurers have been able to move on to a more solid financial footing after the difficult recession years," Hawaii Insurance Commissioner Gordon Ito said. "With that said, the Insurance Division will continue to look closely at these earnings along with the trend of medical care costs when the insurers request a change in rates and utilization."

One of the biggest pressure points on health insurance is the continual rise in health care costs. Health care cost increases have been averaging 6 percent to 8 percent every year, far outpacing inflation.

Hawaii's aging population and other significant healthcare issues facing the state and the nation are contributing factors to those costs.

The Hawaii Insurance Division oversees the Hawaii insurance industry, issues licenses, examines the fiscal condition of Hawaii-based companies, reviews rate and policy filings, and investigates insurance related complaints.

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For media inquiries, please contact:
Brent Suyama
Insurance Division, DCCA

Phone: 587-6735

E-mail: bsuyama@dcca.hawaii.gov