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WAYNE METCALF  
INSURANCE COMMISSIONER

PRESS STATEMENT  
FOR IMMEDIATE RELEASE

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**Hawaii experiences the nation's largest decrease in auto premiums**

HONOLULU – July 29, 2002 – Insurance Commissioner Wayne Metcalf today announced that Hawaii's consumers have enjoyed the nation's largest decrease in auto insurance premiums.

"Based upon a recent report by the National Association of Insurance Commissioners, Hawaii saw the nation's largest decrease in the combined average auto insurance premiums paid by consumers. Since 1996, the average premium in Hawaii decreased by nearly 26%," Metcalf said.

The report provides estimated state average annual premiums per insured vehicle for private passenger automobile insurance for the years 1996-2000. Metcalf attributed the decrease to the reforms initiated by Act 251, Session Laws of Hawaii (SLH) 1997 and to recent competition in the marketplace.

"As a result of the auto insurance reforms passed by the 1997 Legislature, Hawaii now compares much more favorably with mainland averages following rate decreases that have been far greater than those in any other state. Hawaii's rates which used to be among the highest in the nation are now much closer to the average being paid in most other states. This is very good news given the fact that the costs associated with many products are generally substantially higher in Hawaii," Metcalf said.

-M-O-R-E-

In 1995, Hawaii's auto insurance rates were the second highest in the nation. In 2000, the latest year for which sufficient data is available, Hawaii ranked 17<sup>th</sup>.

"To fall from second to seventeenth in the rankings is quite dramatic and validates the Legislature's actions in passing the auto insurance reforms," Metcalf said.

Metcalf noted that the reforms also authorize the Commissioner to adjust rates when the rates are determined to be excessive, inadequate, or unfairly discriminatory.

"In 1999, the Insurance Division ordered auto insurance companies to make new rate filings because it was determined that rates were excessive," Metcalf said.

The Hawaii Insurance Division oversees the insurance industry in Hawaii; issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints and prosecutes motor vehicle insurance fraud cases.

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