

BENJAMIN J. CAYETANO
GOVERNOR



KATHRYN S. MATAYOSHI
DIRECTOR

MAZIE K. HIRONO
LT. GOVERNOR

STATE OF HAWAII
INSURANCE DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
P. O. BOX 3614
HONOLULU, HAWAII 96811-3614
250 S. KING ST., 5TH FLOOR
HONOLULU, HAWAII 96813

WAYNE METCALF
INSURANCE COMMISSIONER

PRESS STATEMENT
FOR IMMEDIATE RELEASE

CONTACT: Wayne Metcalf, Insurance Commissioner
Insurance Division
Department of Commerce & Consumer Affairs
586-2799

Workers' comp rate increase is cut in half

HONOLULU – November 29, 2002 – Agreeing with Insurance Commissioner Wayne Metcalf's findings that there are additional signs of improvement in Hawaii's workers' compensation insurance market, the National Council on Compensation Insurance (NCCI) has amended its request for an increase in loss costs from 15.8% down to 8%.

In approving the lower increase, Metcalf said, "The amended filing takes our original concerns into account, and I believe it is fair for Hawaii's business owners as well as for the insurance industry. This is only the claims portion of the rates. Insurers will have to submit their expenses and investment income data to have the actual workers' compensation rates approved."

The agreed upon 8% reduces by nearly half what businesses would otherwise have to pay. The loss costs will become the basis for the rates that will be paid by many of Hawaii's businesses for workers' compensation insurance in the coming year.

"This is another example validating the need for strong independent review by the Insurance Division of intended insurance rates for the benefit of Hawaii's consumers. A very similar review process for health insurance rates was passed by the Legislature this past session and will become effective on January 1, 2003," added Metcalf.

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NCCI is a workers' compensation rating organization that submits filings for loss cost rates for many insurance companies in Hawaii. NCCI resubmitted its filing following the Insurance Commissioner's October 31, 2002 disapproval of their request for a 15.8% increase.

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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