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WAYNE METCALF
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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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16% workers' comp rate increase is denied

HONOLULU – November 1, 2002 – Insurance Commissioner Wayne Metcalf today announced that the Insurance Division has denied a National Council on Compensation Insurance (NCCI) 16% loss cost workers' compensation rate increase request which, if approved as filed, would have increased workers' compensation rates in Hawaii by \$24 million. The NCCI loss costs are used as the basis for all workers' compensation insurance rates in Hawaii.

“The Insurance Division has denied a request for a 16% loss cost increase for workers' compensation insurance submitted by the NCCI. The NCCI filing did not adequately take into account the fact that Hawaii workers' compensation claim experience has been more favorable than in other states. In fact, the most recent information indicates that Hawaii's loss experience is improving at a substantial rate, and the filing placed far too little weight on those improvements.

“The NCCI filing appears to be asking Hawaii businesses to help recoup the industry's losses on the mainland. This is not fair to Hawaii businesses. Hawaii's workers' compensation insurance rates should be based to as great an extent as possible on the losses incurred in Hawaii,” Metcalf said. “Workplace safety has been improving in Hawaii, and the costs for employers should reflect those improvements.”

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NCCI is a workers' compensation rating organization that submits filings for loss cost rates for all insurance companies in Hawaii. NCCI will have to resubmit its filing and the filing will have to be based to a greater extent upon Hawaii's loss experience.

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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