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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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Workers' Comp Rating Organization Agrees to a 4.6% Increase

HONOLULU – February 4, 2002 – Insurance Commissioner Wayne Metcalf today announced that the National Council on Compensation Insurance (NCCI), a workers' compensation insurance rating organization, has received approval for a 4.6% overall increase in workers' compensation insurance loss costs in Hawaii. The NCCI originally filed for a 9.1% increase, but the Insurance Division's independent analysis determined that the original request would have produced rates that were higher than what was justified by Hawaii workers' compensation insurance experience. The loss costs are only a portion of the workers' compensation rates. Insurance companies will have to add their operating expenses to the loss costs and file their rates for approval.

"This loss cost revision is in line with the changes in the underlying costs associated with workers' compensation insurance coverage since the 8.9% decrease that was approved on January 8, 2000. This change follows consecutive decreases in 1996, 1997, and 2000, which totaled more than 41%," stated Metcalf.

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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