



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

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Insurance Commissioner Approves Reduced HMSA's Rate Hike Request

HONOLULU – The Hawai'i Insurance Division approved a reduced rate increase of 2.6 percent by Hawai'i Medical Services Association.

HMSA initially applied for a rate increase of 3.9 percent for its community rated group plans (CRG), which include the Preferred Provider Plan, CompMed Plan, Student Plan 19 and several Health Plan Hawaii plans. The plans cover more than 117,000 Hawai'i consumers.

After evaluating the filing, the division requested additional information and questioned the medical cost trend.

As a result, HMSA amended its filing and reduced its rate request to 2.6 percent, which was approved. The result is a savings of \$6.6 million to small businesses a year.

"The Insurance Division is encouraged to see medical cost trends starting to moderate," Hawai'i Insurance Commissioner Gordon Ito said. "In the last two years, the rate increases have dropped to an average of 3.15 percent with 2 percent being the lowest in the last six years."

Between 2007 and 2010, the average rate increase for preferred provider plans was 9.35 percent. The last two years has seen a drop of nearly two-thirds that rate.

The Insurance Division will continue to work toward reducing the health insurance cost.

"Health care costs starts with everyone. It will take our collective efforts to continue the cost reduction by taking care of ourselves," Ito said. "We encourage routine checkups with your physician to avoid minor medical conditions becoming major problems. Together we can moderate the health care cost trends that will result in savings for consumers in the long run."

The new rate increase will be effective as of July 1, 2012.

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

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