



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

LINDA LINGLE
GOVERNOR

LAWRENCE M. REIFURTH
DIRECTOR
Phone: (808) 586-2850
Fax: (808) 586-2856

FOR IMMEDIATE RELEASE: September 10, 2009

HAWAI'I WORKERS' COMPENSATION INSURANCE RATES DROP FOR THE FIFTH YEAR IN A ROW

HONOLULU -- The Department of Commerce and Consumer Affairs' (DCCA) Insurance Division announced that the National Council on Compensation Insurance (NCCI) has filed a request for a decrease of 4.1 percent in the workers' compensation loss costs. The filing would affect premiums beginning January 1, 2010.

The reduction is based on a continuing decrease in the number of claims filed in 2007 (which is the last year complete data is available). Over the last four years, the Insurance Commissioner has approved decreases of 19.3 percent, 18.2 percent, 12.3 percent and 11.6 percent in loss costs as evidence continued to show a significant reduction in claims.

This latest reduction brings the total decrease in workers' compensation loss costs to 65.5 percent over the past five years.

"This is the largest workers compensation insurance rate decline of any state in the nation, except possibly those states that have enacted major statutory reforms," said Hawai'i Insurance Commissioner J.P. Schmidt.

"These lower rates show that Hawai'i's employers are effectively providing a safer work place for our workers," stated Schmidt. "We continue to encourage employers to implement work place safety programs and thereby qualify for insurer's discounts."

Additionally, the Department of Labor and Industrial Relations, Hawai'i Occupational Safety and Health (HIOSH) Division has made great strides toward partnering with Hawai'i's employers and labor organizations in enforcing the state's workplace safety and health laws. This collaborative effort has led to exemplary safety and health programs that have directly resulted in less workers' compensation claims being filed.

"The DLIR continues to streamline and expedite the workers compensation hearing process, and claims are continuing to be resolved in a timely manner," said Schmidt. "We want to emphasize that each filing is carefully reviewed, because we understand the impact that these rates have on business and workers in Hawai'i."

NCCI collects and validates data on work comp premiums and loss experience. If the filing is approved, insurance companies can choose to adopt NCCI's loss costs and then file their own factor for covering the other components that finally make up the premium.

"Loss costs" are a significant component of premiums and represent the amounts paid for claims by insurers. The other components that make up the premium include production and general expenses, contingencies, profit, taxes, licenses and fees.

###

For more information, contact:
Christine Hirasa
Public Information Officer
Phone: 586-2622
Email: chirasa@dcca.hawaii.gov