

Honolulu, Hawaii

FEB 16, 2006

RE: H.B. No. 1802  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Consumer Protection & Commerce, to which was referred H.B. No. 1802 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION INSURANCE,"

beg leave to report as follows:

The purpose of this bill is to assist injured workers in returning to gainful employment by providing premium discounts to employers who obtain certification from the Department of Labor and Industrial Relations (DLIR) for establishing an effective return-to-work program.

The Hawaii State Chiropractic Association, Hawaii Chapter, American Physical Therapy Association, and King & Neel, Inc., testified in support of this bill. The Hawaii Insurers Council and ILWU Local 142 opposed this measure. DLIR and the Hawaii Employers' Mutual Insurance Company submitted comments.

It is often more difficult for injured workers to return to work at their normal capacity after a lengthy period on total disability than it is for them to return to work on modified or light duty. Returning workers to their jobs as quickly as possible after an injury is beneficial not only to the employee, but the employer as well.



Your Committees find that small businesses may not have the fiscal capacity to allow for modified or light duty for their injured employees and that the establishment of "Return to Work Programs" may not be feasible. This bill would establish a credit for workers' compensation insurance premiums that provides an incentive for businesses to establish effective return to work programs.

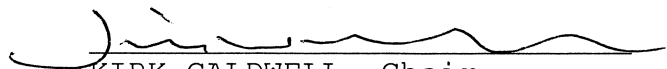
However, your Committees have concerns that smaller companies may not see significant premium discounts while larger companies may experience large premium discounts. Accordingly, your Committees have amended this measure by:

- (1) Removing language establishing a five percent premium discount and leaving the percentage blank to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1802, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1802, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Labor & Public  
Employment and Consumer  
Protection & Commerce,

  
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ROBERT N. HERKES, Chair

  
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KIRK CALDWELL, Chair





