

STAND. COM. REP. NO. 1646

Honolulu, Hawaii

A-202, 2007

RE: H.C.R. No. 179

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.C.R. No. 179 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING AN AUDIT OF THE
HAWAII EMPLOYERS' MUTUAL INSURANCE COMPANY,"

begs leave to report as follows:

The purpose of this measure is to request that the Auditor conduct an audit and an impact assessment report of the Hawaii Employers' Mutual Insurance Company (HEMIC), in order to determine whether HEMIC is fulfilling the statutory purposes for which it was created.

Aloha Habilitation Services, American Physical Therapy Association Hawaii Chapter, Filipino Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, Home & Community Services of Hawaii, ILWU Local 142, Subcontractors Association of Hawaii, Vocational Management Consultants, Work Star Occupational Health, and several individuals testified in support of this measure. The Hawaii Employers' Mutual Insurance Company testified in opposition.

Your committee finds that as a legislatively created entity and as Hawaii's largest insurance carrier, HEMIC has a profound effect on the welfare of the public in terms of costs to employers, quality of service to injured employees, economic impact on the insurance market, and other such factors. Accordingly, your committee finds that HEMIC's activities and operations should be scrutinized in order to ensure that HEMIC is fulfilling its stated purposes as specified in HRS §431:14A-101.

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In order to ensure that the auditing process is efficient and fair, the Attorney General is respectfully requested to advise the committee on whether the Auditor is an appropriate body to conduct a comprehensive audit of HEMIC.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179 and recommends that it be referred to the Committee on Legislative Management.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a long horizontal stroke extending to the right.

ALEX M. SONSON, Chair

