

STAND. COM. REP. NO. 244-08

Honolulu, Hawaii  
Feb 8, 2008

RE: H.B. No. 1969  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1969, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to determine the appropriate extent of mandatory workers' compensation coverage by exempting services performed by:

- (1) A partner for a partnership;
- (2) A partner with at least a 50 percent transferable interest in a limited liability partnership;
- (3) A member with at least a 50 percent distributional interest in a limited liability company; and
- (4) A sole proprietor for the sole proprietorship.

The Chamber of Commerce of Hawaii, Hawaii Business League, National Federation of Independent Business, Risk Solution Partners, LLC, and a concerned individual testified in support of this bill. ILWU Local 142 opposed this measure. The Hawaii Independent Insurance Agents Association submitted comments.

This bill provides exemptions from mandatory workers' compensation coverage in cases where the employees to be covered

HB1969 HD1 HSCR CPC HMS 2008-1778



are owners or partners who are unlikely to file a workers' compensation claim or sue themselves for work-related injuries. On the other hand, creating additional exemptions from the workers' compensation law may have impacts on premiums and the affordability of coverage. Your Committee is moving this bill along to facilitate further discussion of these issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, H.D. 1, and recommends that it be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



---

ROBERT N. HERKES, Chair



