

Honolulu, Hawaii

Feb 6, 2008

RE: H.B. No. 2390

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2390 entitled:

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

begs leave to report as follows:

The purpose of this bill is to increase the accountability of the workers' compensation system by requiring the workers' compensation insurance carrier to provide annual reports to the Director of the Department of Labor and Industrial Relations (DLIR) and the State Insurance Commissioner (Insurance Commissioner) detailing:

- (1) Costs of Independent Medical Examinations (IMEs);
- (2) Costs for legal services relating to administration of claims; and
- (3) Administrative costs.

The Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Inc., and American Insurance Association testified in opposition to this bill. DLIR and the Department of Commerce and Consumer Affairs commented on this measure.

Insurers currently only provide lump sum costs of their policies to the Insurance Commissioner and do not have to report a cost breakdown including costs for IMEs, legal services, and administration of these policies. By providing a breakdown of



these costs, your Committee believes that both DLIR and the Insurance Commissioner will be better able to evaluate the costs of the workers' compensation system in Hawaii.

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 is in accord with the intent and purpose of H.B. No. 2390 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

A handwritten signature in black ink, appearing to read "ALEX M. SONSON", is written over a horizontal line. The signature is stylized with a large loop at the beginning and a long, thin tail extending to the right.

ALEX M. SONSON, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 174-08

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2390	Committee Referral: LAB, CPC, FIN	Date: 01/29/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	Y			
2. NAKASONE, Bob (VC)				X
3. EVANS, Cindy			X	
4. HAR, Sharon E.			X	
5. LEE, Marilyn B.	Y			
6. LUKE, Sylvia	Y			
7. McKELVEY, Angus L.K.		X		
8. NISHIMOTO, Scott Y.	Y			
9. SOUKI, Joseph M.				X
10. TAKAMINE, Dwight Y.	X			
11. TAKUMI, Roy M.	X			
12. MEYER, Colleen Rose		X		
13. PINE, Kymerly Marcos			X	
TOTAL (13)	6	2	3	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				