



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 16, 2012

To: The Honorable Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and
Members of the House Committee on Economic Revitalization &
Business

Date: Thursday, February 16, 2012
Time: 8:30 a.m.
Place: Conference Room 312, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 2584 Relating to Security for Workers' Compensation

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. 2584 amends section 386-122, HRS, by authorizing the director to accept notices of employer's insurance from approved third party agencies on a form approved by the director. The department strongly supports this measure, as it will improve the accuracy, reliability, and timeliness of workers' compensation insurance information that the department provides to the State's procurement and enforcement systems.

II. CURRENT LAW

Currently, section 386-122 requires employers to file with the director the notice of employer's insurance on a form prescribed by the director. All workers' compensation insurance coverage information is submitted on paper forms and in turn is manually inputted into the department's information system. Budget cuts and staff reductions over the past two years have reduced the department's capability to input the insurance information in a timely manner, rendering the system's data and reports unreliable to management.

With no funding or staffing relief in sight, the department plans to accept and input the insurance information electronically and eliminate the labor-intensive process it currently employs.

III. COMMENTS ON THE HOUSE BILL

- By electronically uploading the insurance information into the department's database, this measure if enacted into law will improve the accuracy, reliability, and timeliness of information the department provides to the State's procurement and enforcement systems. This improvement will facilitate the State's procurement process and will allow companies that do business with the State and Counties to receive approval to submit bid proposals and be compensated for their work more quickly.
- This improvement will also provide the investigator and audit staffs with current information necessary to ensure the employers' workers' compensation coverage is kept up to date and will provide the workforce with the economic and health protection the workers' compensation law was intended to provide.
- This measure will aid the department by reducing its labor-intensive requirements to manually input insurance information into its system, and in turn will enable the department to reduce/control the backlog created by the Reduction-in-Force and budget reductions.

The department strongly supports this measure.

HOUSE OF REPRESENTATIVES
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

Rep. Angus L.K. McKelvey, Chair
Rep. Issac W. Choy, Vice Chair

Hearing: Thursday, February 16, 2012
Time: 8:30 a.m.
Conference Room: 312 State Capitol

TESTIMONY OF ILWU LOCAL 142
RELATING TO NOTICE OF WORKERS' COMPENSATION INSURANCE

HB 2584 allows third party agencies rather than employers to meet the requirement of Section 386-122 HRS that employers file notice of their workers' compensation insurance. In practice, this will permit electronic filing of the notice, eliminating manual recordation of the information and allowing the Department of Labor and Industrial Relations to improve its efficiency in record keeping and enforcement. These are sensible and beneficial reforms which will assist all constituents of our workers' compensation system and we therefore support this bill.



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair

H.B. 2584 – Relating to Notice of Workers' Compensation Insurance
Friday, February 16, 2012
8:30 am
Conference Room 312

Aloha Chair McKelvey, Vice Chair Choy, and Members of the Committee:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters (formerly the Hawaii Carpenters Union).

PRP supports H.B. 2584 Relating to Notice of Workers' Compensation Insurance which would allow the Director of Labor and Industrial Relations to accept the notice of employer's workers' compensation insurance from approved third party agencies in a manner and form approved by the director.

PRP believes that labor is the backbone of our economy, and that in tough economic times injured workers can ill afford to have treatment or compensation delayed in any fashion or form. Therefore, we feel that any efforts made to expedite the treatment or compensation of injured workers not only helps the injured workers in their present situations, but will help to get these workers back into the workforce as soon as possible contributing to our State's economic recovery.

Therefore, PRP supports legislation like H.B. 2584 that seeks to ensure that our working citizens are treated and compensated in a timely manner to help ease the burdens placed on injured workers in tough economic times.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on H.B. 2584.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2012 1:40 PM
To: ERBtestimony
Cc: Lardizabal@local368.org
Subject: Testimony for HB2584 on 2/16/2012 8:30:00 AM

Testimony for ERB 2/16/2012 8:30:00 AM HB2584

Conference room: 312
Testifier position: Support
Testifier will be present: Yes
Submitted by: Al Lardizabal
Organization: Hawaii Laborers' Union
E-mail: Lardizabal@local368.org
Submitted on: 2/14/2012

Comments:

The Hawaii Laborers' Union supports HB2584 in that it will create a more efficient and reliable operation for handling insurance information that is now being processed manually.

Mahalo