



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

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January 30, 2012

To: The Honorable Karl Rhoads, Chair, Kyle Yamashita, Vice Chair,
and Members of the House Committee on Labor & Public Employment

Date: Tuesday, January 31, 2012
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

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

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 this information 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 be able 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 LABOR & PUBLIC EMPLOYMENT

Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

Hearing: Tuesday, January 31, 2012
Time: 9:00 a.m. – 12:00 p.m.
Place: Conference Room 309
State Capitol
415 South Beretania Street

TESTIMONY OF ILWU, LOCAL 142 RE: HB 2584,
RELATING TO NOTICE OF WORKERS' COMPENSATION INSURANCE

Chair Rhoads, Vice Chair Yamashita, Members of the Committee:

Thank you for the opportunity to present testimony about HB 2584.

HB 2584 allows third party agencies rather than employers to meet the requirement of Section 386-122 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.

yamashita2 ----Aulii

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2012 2:45 PM
To: LABtestimony
Cc: Lardizabal@local368.org
Subject: Testimony for HB2584 on 1/31/2012 9:00:00 AM

Testimony for LAB 1/31/2012 9:00:00 AM HB2584

Conference room: 309
Testifier position: Support
Testifier will be present: No
Submitted by: Al Lardizabal
Organization: Hawaii Laborers' Union
E-mail: Lardizabal@local368.org
Submitted on: 1/30/2012

Comments: