



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

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March 13, 2012

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

Date: Tuesday, March 13, 2012

Time: 9:30 a.m.

Place: Conference Room 309, State Capitol

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

Re: S.B. 2846 S.D. 1 Relating to Notice of Workers' Compensation Insurance

I. OVERVIEW OF PROPOSED LEGISLATION

S.B. 2846 S.D. 1 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 SENATE 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.

Testimony of Glenn Ida
Representing,
The Plumbers and Fitters Union, Local 675
1109 Bethel St., Lower Level
Honolulu, Hi. 96813

In Support of SB 2846, SD1

Before the House:
Committee on Labor and Public Employment
Tuesday, Mar. 13, 2012
9:30 AM, Conference Room 309

Aloha Chair Rep. Karl Rhoads, Vice-Chair Rep. Kyle Yamashita and Members of the Committee,

My name is Glenn Ida; I represent the 1300 plus active members and about 600 retirees of the Plumbers and Fitters Union, Local 675.

Local 675, supports SB 2846, SD1, which allows the Director of Labor and Industrial Relations to accept the notice of employer's worker's compensation insurance from approved third party agencies in a manner and form approved by the Director.

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.

Therefore, Local 675 supports SB2846, SD1.

Thank you for this opportunity to testify.

Glenn Ida
808-295-1280

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, March 13, 2012
Time: 9:30 a.m.
Conference Room: 309 State Capitol

TESTIMONY OF ILWU LOCAL 142 RE: SB 2846, SD 1
RELATING TO NOTICE OF WORKERS' COMPENSATION INSURANCE

SB 2846, SD 1 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.

We also note the Senate Committee on Judiciary and Labor proposed an effective date of July 1, 2050 to promote further discussion. In our view, there is no need to delay implementation of the changes proposed by SB 2846, SD 1, and an effective date of July 1, 2012 would be appropriate to carry out the worthy objectives of this legislation.

The Pacific Resource
PARTNERSHIP



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

House Committee on Labor and Public Employment
Representative Karl Rhoads, Chair
Representative Kyle Yamashita, Vice Chair

SB 2846, SD1 – Relating to Notice of Workers' Compensation Insurance
Tuesday, March 13, 2012
9:30 am
Conference Room 309

Aloha Chair Rhoads, Vice Chair Yamashita, 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 SB 2846, SD1 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. 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 and thus, we would like to request an amendment be made on the effective date-- from July 1, 2050 to "upon its approval".

PRP supports legislation like SB 2846, SD1 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 SB 2846, SD1.

George M. Waialeale
910 Kapahulu Avenue #703
Honolulu, Hawaii 96816
Email: geedubbyou@aol.com
Phone: (808) 383-0436

March 13, 2012

Committee on Labor and Public Employment

SB 2846 SD1 Relating to Notice of Workers' Compensation Insurance

I am here to testify in support of SB 2846 SD1. This bill will permit electronic filing of the information and allowing the Department of Labor and Industrial Relations to streamline its record keeping.

I ask for your passage of this legislation.

George Waialeale