

STAND. COM. REP. NO.

922

Honolulu, Hawaii

March , 2013

RE: H.B. No. 1459
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1459, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to authorize the State to form the Hawaii Employer-Union Health Benefits Trust Fund Captive Insurance Company to more effectively manage the administration and financing of the current and potential future employee health benefit obligations of the State and county governments.

The General Contractors Association testified in support of this measure. The Department of Commerce and Consumer Affairs, Department of Budget and Finance, and the State Procurement Office provided comments on this measure.

Your Committee notes that this measure, while well intended, is a work in progress. Accordingly, other methods of addressing the current and potential future employee benefit obligations of the State and county governments should also be considered, including by conducting a feasibility study on the potential implementation of this measure.

HB1459 HD2 HSCR FIN HMS 2013-2427



Your Committee has amended this measure by:

- (1) Specifying that this Act shall be known and may be referred to as the "Health Unfunded Liability Action or HULA Plan";
- (2) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1459, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1459, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



