
A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that although workers'
2 compensation premiums in Hawaii have dropped significantly since
3 the reforms in the mid-1990s and are now ranked twenty-seven
4 from the top nationwide, legislation is introduced every year
5 alleging unfair treatment of injured workers, including slow
6 processes. In 2015, the legislature adopted House Concurrent
7 Resolution No. 168, H.D. 2, S.D. 1, which required the
8 department of labor and industrial relations to streamline the
9 state's workers' compensation process, of which results are due
10 to the 2017 legislature. Despite this action, a closed claims
11 study is warranted to objectively review whether specific law
12 changes are necessary. The last closed claims study done in
13 Hawaii on workers' compensation was in 1993 by Tillinghast.

14 The purpose of this Act is to increase employee health and
15 safety in the workplace and to provide timely and appropriate
16 services for employees injured on the job in a supportive and
17 non-confrontational environment by requiring the department of



1 labor and industrial relations to conduct a comprehensive study
2 on the State's workers' compensation system.

3 SECTION 2. (a) The department of labor and industrial
4 relations shall contract with an actuarial firm that has
5 experience conducting workers' compensation closed claims
6 studies in the United States, to perform a comprehensive review
7 of:

- 8 (1) Closed claims in the private employment sector in the
9 State;
- 10 (2) Closed claims involving state employees, including
11 those employed by the department of human resources
12 development, the department of education, and the
13 University of Hawaii system; and
- 14 (3) The State's laws and systems regarding workers'
15 compensation.

16 (b) The study shall report on whether the State's workers'
17 compensation laws and systems are equitable to all parties and
18 whether specific statutory or systemic changes are warranted.

19 (c) The total cost of the study shall not exceed \$400,000
20 and shall be paid for by an assessment to the workers'
21 compensation insurers, workers' compensation captive insurers,



1 and workers' compensation self-insureds in the State to be
2 determined according to market share of premiums or, in the case
3 of workers' compensation self-insureds, using the current basis
4 to determine special comp fund assessments.

5 (d) The department of labor and industrial relations shall
6 require the study to be completed by and the study shall
7 be submitted to the legislature no later than twenty days prior
8 to the convening of the regular session of 20 .

9 SECTION 3. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2016-2017 for the
12 department of labor and industrial relations to contract with an
13 actuarial firm to produce the comprehensive review of workers'
14 compensation; provided that no moneys shall be released unless
15 matched dollar-for-dollar by the fees assessed pursuant to
16 section 2(c) of this Act.

17 The sum appropriated shall be expended by the department of
18 labor and industrial relations for the purposes of this Act.

19 SECTION 4. This Act shall take effect on July 1, 2091.



Report Title:

Workers' Compensation Study; Department of Labor and Industrial Relations

Description:

Requires the Department of Labor and Industrial Relations to contract with an actuarial firm that has experience conducting workers' compensation closed claims studies in the United States to perform a comprehensive review of workers' compensation in the State. Appropriates funds and requires reimbursement.
(HB2715 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

