
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 convene a
9 working group to streamline the State's workers' compensation
10 process, of which results are due to the 2017 legislature.
11 Despite this action, a closed claims study is warranted to
12 objectively review whether specific statutory changes are
13 necessary. The last closed claims study done in Hawaii on
14 workers' compensation was in 1993 by Tillinghast.

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



1 labor and industrial relations to conduct a study on closed
2 claims in 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 study of:

7 (1) Closed claims in the private employment sector in the
8 State; and

9 (2) Closed claims involving state employees, including
10 those employed by the department of human resources
11 development, the department of education, and the
12 University of Hawaii system.

13 (b) Of the total cost of the study, a portion equal to the
14 appropriation provided for in section 3 of this Act shall be
15 paid for by an assessment to the workers' compensation insurers,
16 workers' compensation captive insurers, and workers'
17 compensation self-insureds in the State to be determined
18 according to market share of premiums or, in the case of
19 workers' compensation self-insureds, using the current basis to
20 determine special compensation fund assessments.



1 (c) The department of labor and industrial relations shall
2 require the study to be completed by November 30, 2017, and the
3 study shall be submitted to the legislature no later than twenty
4 days prior to the convening of the regular session of 2018.

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2016-2017 for
8 the department of labor and industrial relations to contract
9 with an actuarial firm to produce a study of closed claims in
10 the State's workers' compensation system; provided that no
11 moneys shall be released unless matched dollar-for-dollar by the
12 fees assessed pursuant to section 2(b) of this Act.

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

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



Report Title:

Closed Claims Study; Department of Labor and Industrial Relations; Appropriation

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 study of closed claims in the State's workers' compensation system. Appropriates funds and requires matching funds. Effective July 1, 2091. (SD1)

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