

Honolulu, Hawaii

February 11, 2016

RE: H.B. No. 2363

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2363 entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose of this measure is to amend Hawaii's laws on workers' compensation (WC) and temporary disability insurance (TDI) to:

- (1) Exclude the following from providing TDI coverage for services they provide for themselves: sole proprietors, an individual partner of a partnership, a partner of a limited liability partnership with an interest of at least 50 percent, an individual member of a limited liability company with a distributional interest of at least 50 percent, or individual owning at least 50 percent of a corporation;
- (2) Allow the Director of Labor and Industrial Relations to receive electronic copies of injury and other reports;
- (3) Increase the penalty for employers who do not have TDI coverage for employees from not less than \$25 or \$1 per employee per day, to not less than \$500 or \$100 per employee per day;
- (4) Increase the penalty from not more than \$2,500 to not more than \$5,000 against an employer or insurance carrier for failure to make correct or timely benefit



payments or to terminate such benefits without approval or statutory cause;

- (5) Increase the penalty for failure to file medical reports from \$250 to \$500, and for employer's failure to provide copies of requested medical reports from \$1,000 to \$5,000;
- (6) Increase the penalty for employers who do not have WC coverage for employees from not less than \$250 or \$10 per employee per day, to not less than \$500 or \$100 per employee per day; and
- (7) Increase the penalty from \$2,500 to \$5,000 against an employer for the deduction of premium payments from an employee's wages.

The Department of Labor and Industrial Relations, the Hawaii Construction Alliance, Pacific Resource Partnership, and the ILWU Local 142 testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2363 and recommends that it pass Second Reading and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



