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# A BILL FOR AN ACT

RELATING TO THE STATE RISK MANAGEMENT AND INSURANCE  
ADMINISTRATION.

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

1           SECTION 1. Section 41D-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) The comptroller, through the risk manager, shall:

4           (1) Have discretion to purchase casualty insurance for the  
5 State or state agencies, including those employees of  
6 the State who, in the comptroller's discretion, may be  
7 at risk and shall be responsible for the acquisition  
8 of all casualty insurance;

9           (2) Have discretion to purchase property insurance for the  
10 State or state agencies and shall acquire all property  
11 insurance;

12           (3) Direct and manage all risk management and insurance  
13 programs of the State, except for employee benefits  
14 insurance and workers' compensation insurance programs  
15 or as otherwise provided in chapters 87, 88, 383 to  
16 386A, 392, and 393;



- 1 (4) Consult with state agencies to determine what  
2 property, casualty, and other insurance policies are  
3 presently in force or are sought by the state agencies  
4 and to make determinations about whether to continue  
5 subscribing to insurance policies. In the event that  
6 the risk manager's determination is not satisfactory  
7 to the state agency, the state agency may have the  
8 risk manager's decision reviewed by the comptroller.  
9 In this case, the comptroller's decision shall be  
10 final;
- 11 (5) Consolidate and combine state insurance coverages, and  
12 purchase excess insurance when, in the comptroller's  
13 discretion, it is appropriate to do so;
- 14 (6) Acquire risk management, investigative, claims  
15 adjustment, actuarial, and other services, except  
16 attorney's services, as may be required for the sound  
17 administration of this chapter[+], provided that a  
18 broker submitting a proposal in response to a fixed  
19 fee solicitation by the Comptroller pursuant to  
20 subsection (a) and the broker's performance of the  
21 activities in accordance with the proposal shall not



1           constitute a violation of sections 431:10-218, 431:13-  
2           101, and 431:13-103;

3           (7) Gather from all state agencies and maintain data  
4           regarding the State's risks and casualty, property,  
5           and fidelity losses;

6           (8) In conjunction with the attorney general and as  
7           otherwise provided by this chapter, compromise or  
8           settle claims cognizable under chapter 662;

9           (9) Provide technical services in risk management and  
10          insurance to state agencies;

11          (10) Be authorized to establish a captive insurance company  
12          pursuant to article 19 of chapter 431 to effectuate  
13          the purposes of this chapter; and

14          (11) Do all other things appropriate to the development of  
15          sound risk management practices and policies for the  
16          State."

17          SECTION 2. Statutory material to be repealed is bracketed  
18          and stricken. New statutory material is underscored.

19          SECTION 3. This Act shall take effect on July 1, 2112.



**Report Title:**

Risk Management and Insurance Administration; Department of  
Accounting and General Services

**Description:**

Amend the responsibilities of the Comptroller to acquire risk management, investigative, claims adjustment, actuarial, and other services on a fee for services basis, rather than on a commission basis. Exempts insurers providing insurance services to the state from certain provisions of the insurance code.

(HB1019 HD1)

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