

STAND. COM. REP. NO. **317**

Honolulu, Hawaii

**FEB 16 2017**

RE: S.B. No. 1236  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 1236 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Stipulate that the Auditor will contract with a suitable entity, rather than an actuarial firm, to perform a study of closed claims in the workers' compensation system;
- (2) Require the study to include the processing time for closed claims;
- (3) Extend the deadline for the study by one year to November 30, 2018, and the deadline to submit the study to the Legislature to twenty days prior to the convening of the Regular Session of 2019; and
- (4) Make an appropriation for the study, contingent on a dollar-for-dollar match by fees assessed to workers' compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and ILWU Local 142.

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Your Committee finds that Act 188, Session Laws of Hawaii 2016, requires the Auditor to contract with an actuarial firm to conduct a study of closed workers' compensation claims by November 30, 2017, and submit the study to the Legislature prior to the Regular Session of 2018. This measure requires additional information be included in the study, and therefore extends the deadline for the study's completion and provides additional funds.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 1, and be referred to your Committee on Ways and Means.

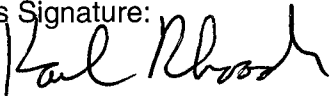
Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,

  
GILBERT S.C. KEITH-AGARAN, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>SB 1236</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>2/13/17</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado				✓
THIELEN, Laura H.	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes