

STAND. COM. REP. NO.

1189

Honolulu, Hawaii

March 21, 2017

RE: S.B. No. 1236
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 1236, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend Act 188, Session Laws of Hawaii 2016, to facilitate completion of the study of closed claims in the State's workers' compensation system as mandated by the Act.

More specifically, this measure:

- (1) Requires the Auditor to contract with a suitable entity, rather than an actuarial firm, to perform the study;
- (2) Requires the study to include the processing time for closed claims;
- (3) Extends the deadline for completion of the study by one year to November 30, 2018, and the deadline to submit the study to the Legislature to 20 days prior to the convening of the Regular Session of 2019; and

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- (4) Appropriates funds for the study; provided that funds are matched by fees assessed to workers' compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds.

The Department of Labor and Industrial Relations and International Longshore and Warehouse Union Local 142 testified in support of this measure. The Office of the Auditor supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the deadline for completion of the study to November 30 of an unspecified year; and
- (2) Changing the deadline to submit the study to the Legislature to 20 days prior to the convening of the Regular Session of an unspecified year.

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 S.B. No. 1236, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



AARON KING JOHANSON, Chair



