

Honolulu, Hawaii

FEB 09 , 2022

RE: H.B. No. 1830
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
H.B. No. 1830 entitled:

"A BILL FOR AN ACT RELATING TO STATE SELF-INSURANCE AGAINST
PROPERTY AND CASUALTY RISKS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the State Self-insurance Against Property and
Casualty Risks Special Fund, to be administered by the
Comptroller, to provide the State with self-insurance
against the State's property and casualty risks; and
- (2) Appropriate general funds for deposit into the Special
Fund.

Your Committee received comments on this measure from the
Department of Budget and Finance, Department of Accounting and
General Services, and one individual.

Your Committee finds that the State currently purchases
third-party insurance through its risk management and insurance
administration to cover the State's property and casualty risks.
Property and casualty insurance provide risk mitigation to
minimize the State's loss exposure. Your Committee further finds



that the State's property and casualty insurance premium costs are significant and subject to further premium increases. This measure will help save the State the costs of its annual insurance premiums for property and casualty insurance by self-insuring the State's property and casualty risks.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

Should your Committee on Finance deliberate on this measure, your Committee on Government Reform respectfully requests that the levels of funding for reserves be at least \$322,000,000, as testified to by the Department of Accounting and General Services.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1830, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Government Reform,



ANGUS L.K. MCKELVEY, Chair



