

STAND. COM. REP. NO. 3450

Honolulu, Hawaii

MAR 24 2022

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and
Judiciary, to which was referred H.B. No. 1830, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent 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 funds.

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

Your Committees find that the State currently expends
significant funds every year in insurance premium costs for third-
party insurance through its risk management and insurance
administration to cover the State's property and casualty risks.
This measure would require the State to self-insure against the



State's property and casualty risks, thereby reducing the amounts paid in premiums every year.

Your Committees note the concerns raised in testimony, however, that a comprehensive actuarial study should first be completed to identify and address the viability and the potential risks and costs of converting the State to a completely self-insured system. Without this initial study, the State's ability to manage risk exposure may be compromised. Accordingly, amendments to this measure are necessary to address this concern.

Your Committees have amended this measure by:

- (1) Clarifying that the Comptroller shall request that the Governor authorize an advance to the special fund of sufficient sums of money from other funds in the state treasury to the extent permitted by law;
- (2) Inserting language to require the Department of Budget and Finance, in collaboration with the Department of Accounting and General Services and any other applicable department or agency, to perform an actuarial study on the potential risks, costs and economic impact, and viability of the State establishing and administering self-insurance coverage, and to submit the study, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2023;
- (3) Inserting an appropriation for an unspecified amount to be expended by the Department of Budget and Finance to conduct the actuarial study;
- (4) Making the measure effective upon its approval, provided that sections 2 through 6 of this measure shall take effect on January 1, 2030; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with

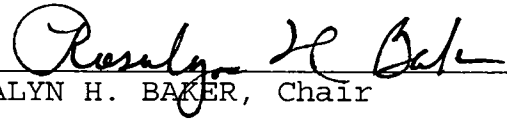


the intent and purpose of H.B. No. 1830, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1830, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection and Judiciary,



KARL RHOADS, Chair

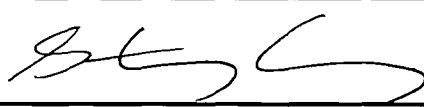


ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1030, HD 1	CPN / JDC / WAM	08-22-2022
<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	
BAKER, Rosalyn H. (C)	✓	
CHANG, Stanley (VC)	✓	
DECOITE, Lynn	✓	
NISHIHARA, Clarence K.	✓	
RIVIERE, Gil	✓	
SAN BUENAVENTURA, Joy A.	✓	
FEVELLA, Kurt		✓
TOTAL	6	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes

The Senate
Thirty-First Legislature
State of Hawai'i

**Record of Votes
Committee on Judiciary
JDC**

Bill / Resolution No.:* HB 1830, HD1	Committee Referral: CPN/JDC, WAM	Date: 03-22-22		
<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
RHOADS, Karl (C)	//			
KEOHOKALOLE, Jarrett (VC)	//			
ACASIO, Laura	//			
GABBARD, Mike	//			
KIM, Donna Mercado	//			
LEE, Chris				//
FEVELLA, Kurt				//
TOTAL	5	-	-	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes