

TWENTY-EIGHTH DAY

Thursday, March 5, 1992

The Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, convened at 11:43 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by the Reverend Don Johnson, Lutheran Church of Honolulu, after which the Roll was called showing all Senators present with the exception of Senators Aki, Chang, Holt and Matsuura who were excused.

The President announced that he had read and approved the Journal of the Twenty-Seventh Day.

The following introductions of guests seated in the audience were then made to the members of the Senate:

Senator Crozier introduced three young ladies from Wellington, New Zealand - Michelle Apperley, Anna Ramson and Barbara Boylin.

Senator Reed introduced a group of neighbors and friends from the Island of Maui: Sandy Kilbright, facilitator for the parent-community networking center, Lokelani Intermediate School; Steve Lee, PTSA president at Lokelani Intermediate School; John Miller, parent and school-community council representative; Anell Morphis, parent and PTSA board member, Lokelani Intermediate School; Jimmy Rust, educational specialist, Hawaii Operating Engineers Industry Stabilization Fund; and Karen Waggoner, facilitator for parent-community networking center, Kihei Elementary School. Senator Reed said, "They are parents and individuals who are concerned about education and are volunteers who have come to the Legislature on their own expense to try to draw greater attention to our educational needs statewide."

SENATE CONCURRENT RESOLUTIONS

The following concurrent resolutions (S.C.R. Nos. 61 to 63) were read by the Clerk and were referred to committees:

Senate Concurrent Resolution

No. 61 "SENATE CONCURRENT RESOLUTION REQUESTING THE PUBLIC UTILITIES COMMISSION TO AUDIT CERTAIN TELECOMMUNICATIONS SYSTEMS AND STUDIES."

Offered by: Senators Matsuura, Yamasaki.

Referred to: Committee on Science, Technology and Economic Development

No. 62 "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY TO IDENTIFY THE INFORMATION AND DATA NECESSARY TO EVALUATE HAWAII'S CIVIL JUSTICE SYSTEM AND DEVELOP IMPROVEMENTS TO TORT AND PRODUCT LIABILITY LAW."

Offered by: Senator Wong, R., by request.

Referred to: Committee on Judiciary

No. 63 "SENATE CONCURRENT RESOLUTION RELATING TO THE BIENNIAL REVIEW OF THE COMPENSATION PLANS AND THE COSTS THEREOF."

Offered by: Senator Wong, R., by request.

Referred to: Committee on Employment and Public Institutions

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 47 to 49) were read by the Clerk and were referred to committees:

Senate Resolution

No. 47 "SENATE RESOLUTION REQUESTING THE PUBLIC UTILITIES COMMISSION TO AUDIT CERTAIN TELECOMMUNICATIONS SYSTEMS AND STUDIES."

Offered by: Senators Matsuura, Yamasaki.

Referred to: Committee on Science, Technology and Economic Development

No. 48 "SENATE RESOLUTION REQUESTING A STUDY TO IDENTIFY THE INFORMATION AND DATA NECESSARY TO EVALUATE HAWAII'S CIVIL JUSTICE SYSTEM AND DEVELOP IMPROVEMENTS TO TORT AND PRODUCT LIABILITY LAW."

Offered by: Senator Wong, R., by request.

Referred to: Committee on Judiciary, then to the Committee on Legislative Management

No. 49 "SENATE RESOLUTION COMMENDING THE COUNTY OF HAWAII FOR INITIATING A STRATEGIC DEVELOPMENT PLAN FOR DIVERSIFIED AGRICULTURE ON THE BIG ISLAND."

Offered by: Senator Matsuura.

Referred to: Committee on Legislative Management

STANDING COMMITTEE REPORT

Senator Blair, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 2281) recommending that H.B. No. 2318 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Blair, seconded by Senator Solomon and carried, the report of the Committee was adopted and H.B. No. 2318, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE VACANCIES," passed Second Reading and was placed on the calendar for Third Reading on March 9, 1992.

ORDER OF THE DAY

RE-REFERRAL OF HOUSE BILL

The Chair re-referred the following House bill that was received:

House Bill Referred to:

No. 3772, H.D. 1 Committee on Culture, Arts and Historic Preservation

Senator Tungpalan then rose to speak on a point of personal privilege as follows:

"Mr. President, I would like to highly commend the Honolulu Advertiser for their astute analysis of the no-

fault insurance reform issue, which appeared in this morning's paper. They succinctly express the problem that was brought up on the floor on Tuesday.

"I quote from the editorial: 'The policy question is whether lower premiums would be worth the sacrifice of some current consumer benefits.'

"The editor recognizes that it's necessary to take some time to analyze this data. But the more succinct point that he made was that it's hard information that we need in order to make this analysis. For the past two weeks, I have been asking the insurance companies to provide me with that data. I'd like to see their reserves. I'd like to see what is being made out there as far as investment income is concerned. I'd like to see what their losses are.

"Right now, everything that we've had before us is data that they have provided but it's not the total picture.

"I think this is such an important issue that we ought to take it to all the islands and have hearings like we did on several other bills that were of major significance. Let's take a holistic approach in insurance reform.

"Lawmakers should get the data from insurers and take the time to digest the actuaries' analysis, even if it means postponing auto insurance reform another year,' said Gerry Keir of the Advertiser. It's naive to say we must trust the insurance companies when they say they are going to give us the 15% reduction.

"It only reminds me of my experience when I was chair of labor in 1983. At that time, they lobbied me persistently about the need for a study on workers' compensation. They said if the Legislature studied workers' comp they would accept a moratorium for two years on rates. At that time, they received a premium increase on workers' comp rates by 29% with a swing of 25% attached to it. Some companies like the roofing industry had a 54% increase. What did that mean in terms of consumers having to purchase roofs? It meant that they had to pay \$3,000 more for that roof, just simply because of this insurance raise. It was really astronomical and the Legislature did the right thing. We had a moratorium which the insurance companies said they would abide by.

"I had allowed that measure to go forward and it went to the governor's office. In another measure, a concurrent resolution, we placed monies for a two-year study and both measures went to the governor's office. But, lo and behold, during the time that those measures reached the governor's office, the insurance companies were there lobbying to have the moratorium measure killed. If I didn't anticipate that and I didn't require that in writing, today, we wouldn't have had a moratorium. We would not have had all these years without rate increases in workers' compensation. What saved the day was the fact that I had said to the insurance companies, you must place that in writing and it was that piece of paper which stipulated that they would abide by the moratorium, if a study had been passed that made us have a moratorium.

"There is no guarantee, there is no free lunch, that's all true. We have got to get things down in black and white, unfortunately. More than that, we need to do things with facts; hard facts, before we swing the pendulum much, much too far.

"We need reform. We need to reduce premiums. Let's do it with the facts before us. Thank you."

ADJOURNMENT

At 11:58 o'clock a.m., on motion by Senator Solomon, seconded by Senator Reed and carried, the Senate adjourned until 11:30 o'clock a.m., Monday, March 9, 1992.