
A BILL FOR AN ACT

RELATING TO RISK MANAGEMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 41D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§41D- Indemnification of county agencies. (a) To
5 receive county aid, assistance, support, benefits, services, or
6 interests in or rights to use county property, a state agency
7 may agree in writing to an indemnity provision in which the
8 State indemnifies, defends, and holds harmless a county agency,
9 its officers, agents, and employees when:

- 10 (1) County ordinances, rules, or regulations expressly or
11 by clear implication require the indemnity provisions;
12 (2) The governor approves the State's proposed
13 indemnification;
14 (3) The comptroller, pursuant to section 41D-8.5, has
15 obtained an insurance policy or policies in an amount
16 sufficient to cover the liability of the State that
17 may reasonably be anticipated under the indemnity
18 provision; and



1 (4) The State's liability under the indemnity provision
 2 will be expressly limited to the amount of, and will
 3 be defrayed solely by, such insurance.

4 (b) Except as otherwise provided by law, an indemnity
 5 provision not in strict compliance with this section shall not
 6 give rise to a claim against the State under chapter 661 or
 7 otherwise waive the State's sovereign immunity."

8 SECTION 2. Section 41D-8.5, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 "**§41D-8.5 Insurance for indemnification.** The comptroller
 11 may:

12 (1) Obtain sufficient loss insurance to cover the
 13 liability of the State that may arise from indemnity
 14 provisions agreed to pursuant to section 29-15.5;
 15 [and]

16 (2) Obtain sufficient loss insurance to indemnify, defend,
 17 and hold harmless a county providing aid, assistance,
 18 support, benefits, services, or interests in or rights
 19 to use county property to a state agency under an
 20 indemnity agreement provision pursuant to section 41D-
 21 _____ ; and



H.B. NO. 921

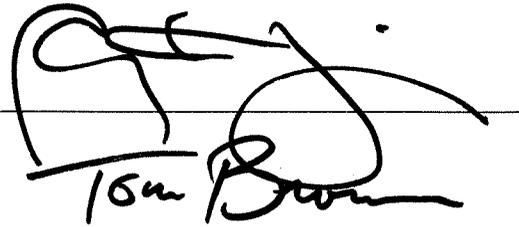
1 [~~(2)~~] (3) Obtain appropriate and sufficient reinsurance to
 2 cover the liability of a captive insurance company
 3 established pursuant to section 41D-2."

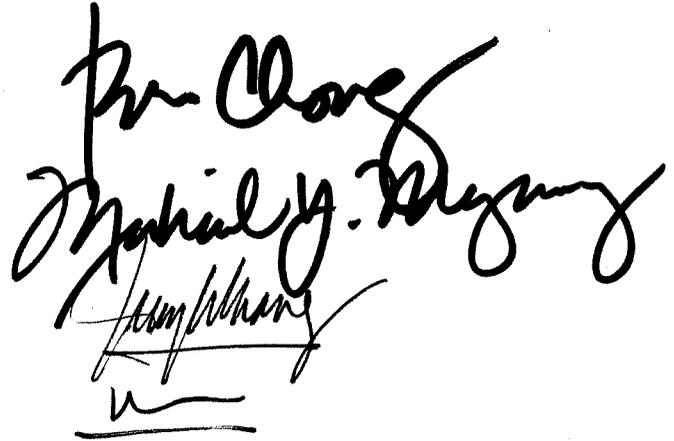
4 SECTION 3. Statutory material to be repealed is bracketed
 5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

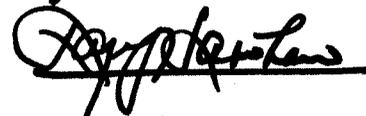

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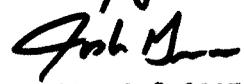

 Paul Clary

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JAN 22 2007



Report Title:

Risk Management; State Indemnification; County Assistance

Description:

Allows a state agency under certain conditions to enter into an indemnity agreement with a county to receive county aid, assistance, support, benefits, services, or interests in or rights to use county property. Authorizes the state to obtain sufficient loss insurance for such indemnification.

