STAND. COM. REP. NO. 1646

Honolulu, Hawaii

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RE: H.C.R. No. 179

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.C.R. No. 179 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING AN AUDIT OF THE HAWAII EMPLOYERS' MUTUAL INSURANCE COMPANY,"

begs leave to report as follows:

The purpose of this measure is to request that the Auditor conduct an audit and an impact assessment report of the Hawaii Employers' Mutual Insurance Company (HEMIC), in order to determine whether HEMIC is fulfilling the statutory purposes for which it was created.

Aloha Habilitation Services, American Physical Therapy Association Hawaii Chapter, Filipino Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, Home & Community Services of Hawaii, ILWU Local 142, Subcontractors Association of Hawaii, Vocational Management Consultants, Work Star Occupational Health, and several individuals testified in support of this measure. The Hawaii Employers' Mutual Insurance Company testified in opposition.

Your committee finds that as a legislatively created entity and as Hawaii's largest insurance carrier, HEMIC has a profound effect on the welfare of the public in terms of costs to employers, quality of service to injured employees, economic impact on the insurance market, and other such factors. Accordingly, your committee finds that HEMIC's activities and operations should be scrutinized in order to ensure that HEMIC is fulfilling its stated purposes as specified in HRS §431:14A-101.

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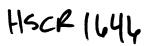
In order to ensure that the auditing process is efficient and fair, the Attorney General is respectfully requested to advise the committee on whether the Auditor is an appropriate body to conduct a comprehensive audit of HEMIC.

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 concurs with the intent and purpose of H.C.R. No. 179 and recommends that it be referred to the Committee on Legislative Management.

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

ALEX M. SONSON, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HCR 179	Date:	07		
Committee Referral: LAB, LMG	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	☐ Pass, with amendments			
☐ Hold	Pass, with amendments, for recommittal for further consideration			
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)				
2. NAKASONE, Bob (VC)				
3. EVANS, Cindy				
4. HAR, Sharon E.		/		
5. LEE, Marilyn B.				
6. LUKE, Sylvia				
7. McKELVEY, Angus L.K.				
8. NISHIMOTO, Scott Y.				
9. SOUKI, Joseph M.	V			
10. TAKAMINE, Dwight Y. 11. TAKUMI, Roy M.	de é Rio de Alba de Maria	MARTIN OF WILLIAM SAFETY		
12. MEYER, Colleen Rose				
13. PINE, Kymberly Marcos				
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TOTAL	5	3		5
The recommendation is:				
☐ Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				