STAND. COM. REP. NO. 77 -22

Honolulu, Hawaii **FEB 0 9** , 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:

- 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



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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



State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Government Reform

	ee Referral:	FIN Date:	. 4 .2	022
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
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2. WILDBERGER, Tina (VC)				
3. CULLEN, Ty J.K.			<u></u>	
S. COLLER, TYJ.K.				
4. ELI, Stacelynn K.M.				
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5. ICHIYAMA, Linda				
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6. MIZUNO, John M.				
7. WOODSON, Justin H.			en an en faith ann an	An is an an an Arbanaka a
8. YAMASHITA, Kyle T.	7	a an		ing Same - Salara and a same mentioned with the state of the same
9. WARD, Gene				
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TOTAL (9)	$ \langle \rangle$	$\overline{\mathcal{O}}$	Ì	1
The recommendation is: I Adopted I Not Adopted If joint referral,				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				