

STAND. COM. REP. NO. **65** -26

Honolulu, Hawaii

**FEB 09** , 2026

RE: H.B. No. 1645  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 1645 entitled:

"A BILL FOR AN ACT RELATING TO LIABILITY,"

begs leave to report as follows:

The purpose of this measure is to provide certain liability protections for foster care agencies that are under contract with the State to provide foster care services to children in foster care.

Your Committee received testimony in support of this measure from Parents and Children Together; Hale Kipa; Child and Family Service; Hawaii Insurers Council; American Property Casualty Insurance Association; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Department of Human Services.

Your Committee finds that child welfare service providers face increasing difficulty in accessing and affording liability insurance coverage. Your Committee further finds that these pressures are threatening the viability of essential programs statewide. This measure addresses liability exposure, indemnification practices, and legal standards that directly

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impact insurers' risk assessment, which are important steps toward stabilizing the child welfare service system and preserving the State's ability to contract with nonprofit providers.

Your Committee has amended this measure by:

- (1) Replacing the term "nonprofit foster care agencies" with "nonprofit child welfare service organizations" to reflect the broad continuum of child welfare;
- (2) Removing references to and deleting the corresponding definition of "foster care";
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes a request raised in testimony before your Committee that indemnification clauses be prohibited in state contracts, rather than required. This testimony noted that existing state contracting practices that require nonprofit agencies to indemnify the State effectively shift the State's liability onto nonprofit providers that are acting as agents of the State, and that these practices have directly contributed to skyrocketing insurance premiums. Your Committee respectfully requests that, as this measure moves through the legislative process, this matter be discussed further to explore whether prohibiting this type of indemnification clause would be possible.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1645, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Homelessness,



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LISA MARTEN, Chair



