

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 1645
H.D. 2

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1645, H.D. 1, 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 nonprofit child welfare service organizations that are under contract with the State to provide child welfare services to children and families, including:

- (1) Requiring contracts between nonprofit child welfare service organizations and the State to include a state indemnification clause and requiring these organizations to name the State as an additional insured;
- (2) Prohibiting pre- and post-judgment interest and punitive damages for nonprofit child welfare service organizations;
- (3) Requiring actions against nonprofit child welfare service organizations to be tried by the court, except in certain circumstances;
- (4) Removing joint and several liability for nonprofit child welfare service organizations; and



- (5) Specifying that no bond shall be required from a nonprofit child welfare service organization on appeal.

Your Committee received testimony in support of this measure from the Hawaii Insurers Council; American Property Casualty Insurance Association; Parents And Children Together; Catholic Charities Hawai'i; Child and Family Service; Hawai'i Community Foundation; and seven individuals. 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.

Your Committee finds that nonprofit child welfare service organizations are experiencing a severe liability insurance crisis that threatens their ability to contract with the State and continue providing essential services to children and families. Your Committee further finds that indemnification and additional insured requirements in state contracts place disproportionate liability and defense costs on nonprofit providers, exacerbating insurance affordability challenges. Your Committee therefore finds that amending this measure to eliminate mutual indemnification and additional insured requirements more appropriately aligns liability with actual responsibility and supports the continuity of child welfare services statewide.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "nonprofit child welfare service organization" to mean a nonprofit child welfare organization that is under contract with the Department of Human Services to provide welfare services to children;
- (2) Amending the child welfare service contract requirements to prohibit both child welfare service organizations and the State from utilizing indemnification clauses or requiring either party to name the other as an additional insured; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1645, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Consumer Protection & Commerce in the form attached hereto as H.B. No. 1645, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



