

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 1645
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred H.B. No. 1645, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO LIABILITY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide certain liability protections for nonprofit child welfare service organizations that are under contract with the Department of Human Services to provide child welfare services to children and families;
- (2) Prohibit pre- and post-judgment interest and punitive damages for nonprofit child welfare service organizations;
- (3) Require actions against nonprofit child welfare service organizations to be tried by the court, except in certain circumstances;
- (4) Remove joint and several liability for nonprofit child welfare service organizations; and



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

Your Committees received testimony in support of this measure from Catholic Charities Hawai'i, Parents and Children Together, SanHi Government Strategies, Hawaii Insurers Council, Hawai'i Community Foundation, and one individual.

Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice and Aloha Independent Living Hawaii.

Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that child welfare service organizations across the State are facing increasing difficulty in securing affordable liability insurance coverage. Your Committees further find that, nationally, insurers have experienced increased litigation, expanded statutes of limitation, higher defense costs, and greater claim severity in child-related cases, resulting in risks that are difficult to underwrite and price predictably. In response, insurers have narrowed coverage, increased retentions, reduced limits, or exited segments of the admitted market, thereby making it difficult for providers to secure the liability insurance required to maintain state contracts. Without adequate coverage, these organizations cannot continue providing mandated services, placing vulnerable children and families at risk and shifting unsustainable burdens to state agencies. This measure ensures that child welfare service organizations can continue operating, secure insurance coverage, and deliver critical services without the threat of catastrophic liability.

Your Committees urge the Insurance Commissioner to evaluate the causes of recent increases in liability insurance premiums affecting nonprofit child welfare service organizations, including whether changes in state law, such as the extension of statutes of limitations for civil claims, have contributed to the increases, before additional legislative action is taken.


Your Committees have amended this measure by:




- (1) Restoring language from the H.D. 2 version of this measure to prohibit contracts between nonprofit child welfare service organizations and the State from including indemnification or hold harmless provisions and from requiring either party to name the other as an additional insured in their respective liability insurance policies;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of January 30, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1645, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1645, H.D. 3, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Commerce and
Consumer Protection,



JARETT KEOHOKALOLE, Chair



JOY A. SAN BUENAVENTURA, Chair



