

STAND. COM. REP. NO. **2632**

Honolulu, Hawaii

**FEB 20 2026**

RE: S.B. No. 3164  
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 S.B. No. 3164 entitled:

"A BILL FOR AN ACT RELATING TO CHILD WELFARE SERVICE ORGANIZATIONS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit contracts between child welfare service organizations and the State from including state indemnification clauses or requiring the State to be an additional insured under child welfare service organization insurance policies; and
- (2) Eliminate joint and several liability for child welfare service organizations by limiting liability to each organization's percentage share of damages.

Your Committees received testimony in support of this measure from Parents And Children Together, Catholic Charities Hawai'i, Child and Family Service, SanHi Government Strategies, and three individuals.

Your Committees received testimony in opposition to this measure from the Department of the Attorney General and Hawaii Association for Justice.



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

Your Committees find that over the last several years, child welfare service providers have faced increasing difficulty in accessing and affording liability insurance coverage, which is critical to the operation of child welfare and foster care programs, as it functions as a primary risk-management mechanism and financial safety net against claims arising from the provision of services. The underlying cause of this crisis is the growing frequency and severity of lawsuits involving child-related strategies in which child welfare service organizations are named as defendants and held jointly and severally liable, meaning they would need to pay the full amount of any judgment awarded, regardless of their proportionate share of fault if other defendants are unable to satisfy their share of the judgment. Your Committees further find that ensuring that child welfare service providers are able to obtain and maintain liability coverage preserves the financial capacity necessary to respond to claims, compensate victims where liability is established, and maintain continuity of essential services for keiki currently receiving care. This measure supports child welfare service organizations to obtain reasonable and sustainable liability insurance coverage and safeguards the continuity of essential services for children and families across the State.

Your Committees note the concerns raised in testimony in opposition to this measure from the Department of the Attorney General that eliminating the indemnification and insurance requirements for state contracts with child welfare service organizations places a financial burden on the State for the negligence or wrongdoing of the employees of a contracted service provider. In general, the system of personal injury liability disfavors allowing entities who cause harm through the negligence or wrongdoing of their own employees to avoid the financial consequences of that negligence or wrongdoing. If the requirement for indemnification of the State by the providers is eliminated, then the State, and ultimately the taxpayers, will bear the burden of fully compensating the harm and loss caused by the service providers. Therefore, amendments to this measure are necessary to address this concern.



Your Committees have amended this measure by:

- (1) Deleting language that would have prohibited contracts between child welfare service organizations and the State from including state indemnification clauses or requiring the State to be an additional insured under child welfare service organization insurance policies;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

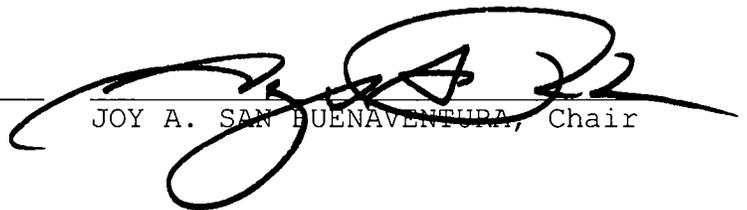
As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3164, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

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



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JARRETT KEOHOKALOLE, Chair



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JOY A. SAN BUENAVENTURA, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Health and Human Services**  
**HHS**

Bill / Resolution No.:* <b>SB 3164</b>	Committee Referral: <b>HHS/CPN, WAM/DC</b>	Date: <b>2/18/2026</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
MCKELVEY, Angus L.K. (VC)				✓
KANUHA, Dru Mamo	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt		✓		WR/DC
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink File with Committee Report    Committee    Drafting Agency				

\*Only one measure per Record of Votes

The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3164	HHS/CPN, WAM/JDC	2/18/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.				✓
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original             Yellow             Pink File with Committee Report             Committee             Drafting Agency				

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