THE SENATE TWENTY-FOURTH LEGISLATURE, 2008 STATE OF HAWAII

S.C.R. NO. 214

MAR 1 3 2008

SENATE CONCURRENT RESOLUTION

REQUESTING A STUDY RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS.

1 WHEREAS, thousands of small businesses and millions of 2 American workers across the country rely on and benefit from the 3 human resource services and administrative services provided by 4 professional employer organizations; and 5

WHEREAS, professional employer organizations have been 6 increasingly identified by state legislatures as providing 7 valuable assistance to small businesses and their workers by 8 assuming certain employer responsibilities and providing small 9 businesses with significant expertise in compliance, access to 10 benefits, and workers' compensation expertise in the areas of 11 workplace safety, risk management, rehabilitation, and return to 12 13 work; and

15 WHEREAS, professional employer organizations and insurance 16 carriers providing coverage of workers in professional employer 17 organization arrangements have increased the availability of 18 coverage in the voluntary market and provided greater market 19 options in the underserved small employer market; and

21 WHEREAS, a worker fully protected by workers' compensation 22 coverage in a professional employer organization arrangement 23 should be subject to the single exclusive remedy provided by law 24 with regard to both the professional employer organization and 25 the client; and

27 WHEREAS, the development and application of workers' 28 compensation coverage in professional employer organization 29 arrangements involve significant policy issues that should be 30 addressed through the legislative process, preferably in 31 conjunction with comprehensive professional employer 32 organization legislation; now, therefore, 33



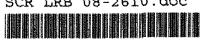
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S.C.R. NO. 214

1 2 3 4 5 6 7 8 9	Legislatu House of Senate Co Housing i possible professio	T RESOLVED by the Senate of the Twenty-fourth re of the State of Hawaii, Regular Session of 2008, the Representatives concurring, that the Chairperson of the mmittee on Commerce, Consumer Protection and Affordable s requested to chair a working group to study the creation of a statutory and regulatory framework for nal employer organizations operating in Hawaii. The p is requested to consider the following principles:	
10 11 12 13 14	(1)	The creation of a comprehensive statutory framework for professional employer organizations based on, as appropriate, the statutory and regulatory requirements, including registration of professional employer organizations, of other states;	
15 16 17 18	(2)	The preservation of ensuring the integrity of the workers' compensation system;	
19 20 21 22	(3)	Recognition that workers' compensation coverage in professional employer organization arrangements should be subject to exclusive remedy protection for both the client and the professional employer organization; and	
23 24 25 26 27 28 29	(4)	Recognition that workers' compensation coverage in professional employer organization arrangements should be addressed by state law that ensures maximum flexibility in the voluntary market as to the types of coverage permitted; and	
29 30 31 32 33 34	Commerce, of the Se	IT FURTHER RESOLVED that the Chairperson of the e, Consumer Protection and Affordable Housing Committee Senate is requested to form the working group to include um of nine members, besides the Chairperson, as follows:	
35 36 37	(1)	One representative from Department of Commerce and Consumer Affairs, Insurance Division;	
38 39 40	(2)	One representative from the Hawaii workers' compensation insurance community;	
40 41 42 43 44	(3)	Two representatives from the Hawaii professional employer organization community with at least ten years of individual operating history;	
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Page 3

S.C.R. NO. 214

1 2 (4) One representative from a national trade association representing the professional employer organization 3 industry; and 4 5 (5) Four members of the Legislature; and 6 7 BE IT FURTHER RESOLVED that this working group is requested 8 9 to submit a report to the Legislature no later than December 31, 2008 on its findings, conclusions, and recommendations, 10 including any proposed legislation; and 11 12 BE IT FURTHER RESOLVED that certified copies of this 13 14 Concurrent Resolution be transmitted to the Chairperson of the Senate Committee on Commerce, Consumer Protection and Affordable 15 Housing, the Director of Commerce and Consumer Affairs, the 16 17 Director of Labor and Industrial Relations, the President of the Senate, and the Speaker of the House of Representatives. 18 19 OFFERED BY: Runels. Kill B/R 20 21

