
HOUSE 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

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

14
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

20
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

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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,



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2 BE IT RESOLVED by the House of Representatives of the
3 Twenty-fourth Legislature of the State of Hawaii, Regular
4 Session of 2008, the Senate concurring, that the Chairperson of
5 the Consumer Protection and Commerce Committee of the House of
6 Representatives is requested to chair a working group to study
7 the possible creation of a statutory and regulatory framework
8 for professional employer organizations operating in Hawaii.
9 The work group is requested to consider the following
10 principles:

- 11
- 12 (1) The creation of a comprehensive statutory framework
13 for professional employer organizations based on, as
14 appropriate, the statutory and regulatory
15 requirements, including registration of professional
16 employer organizations, of other states;
 - 17
 - 18 (2) The preservation of ensuring the integrity of the
19 workers' compensation system;
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 - 21 (3) Recognition that workers' compensation coverage in
22 professional employer organization arrangements should
23 be subject to exclusive remedy protection for both the
24 client and the professional employer organization; and
 - 25
 - 26 (4) Recognition that workers' compensation coverage in
27 professional employer organization arrangements should
28 be addressed by state law that ensures maximum
29 flexibility in the voluntary market as to the types of
30 coverage permitted; and

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32 BE IT FURTHER RESOLVED that the Chairperson of the Consumer
33 Protection and Commerce Committee of the House of
34 Representatives is requested to form the working group to
35 include a minimum of nine members, besides the Chairperson, as
36 follows:

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- 38 (1) One representative from Department of Commerce and
39 Consumer Affairs, Insurance Division;
 - 40
 - 41 (2) One representative from the Hawaii workers'
42 compensation insurance community;
 - 43



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- 1 (3) Two representatives from the Hawaii professional
- 2 employer organization community with at least ten
- 3 years of individual operating history;
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- 5 (4) One representative from a national trade association
- 6 representing the professional employer organization
- 7 industry; and
- 8
- 9 (5) Four members of the legislature; and

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 11 BE IT FURTHER RESOLVED that this working group is requested
 12 to submit a report to the Legislature no later than December 31,
 13 2008 on its findings, conclusions, and recommendations,
 14 including any proposed legislation; and

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 16 BE IT FURTHER RESOLVED that certified copies of this
 17 Concurrent Resolution be transmitted to the Chairperson of the
 18 House Committee on Consumer Protection and Commerce, the
 19 Director of Commerce and Consumer Affairs, the President of the
 20 Senate, and the Speaker of the House of Representatives.

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 OFFERED BY: _____

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