

Honolulu, Hawaii

April 27 , 2012

RE: H.B. No. 2099
H.D. 1
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2099, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable ground.

Hawaii's workers' compensation law was established as a "no fault" type of system where injured workers were provided with medical insurance and wage loss coverage for work-related injuries while employers were protected from civil liability resulting from these injuries. Unfortunately, due to the, at times, contentious nature of workers' compensation cases, claims and appeals

HB2099 CD1 HCCR HMS 2012-3629-1



proceedings are begun without reasonable grounds. Under current law, if the Director of Labor and Industrial Relations, the Labor and Industrial Relations Appeals Board, or any court finds that the proceedings have been brought without reasonable grounds, the whole costs of the proceedings can be assessed against the party that initiated the proceedings. However, a recent Hawaii Intermediate Court of Appeals ruling found that whole costs did not include attorney's fees. Your Committee on Conference finds that allowing reasonable attorney's fees to be assessed against a party who initiates baseless proceedings will help deter frivolous claims and appeals from being filed under Hawaii's workers' compensation system.

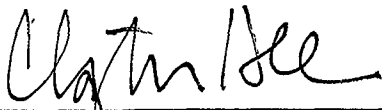
Your Committee on Conference has amended this measure by changing its effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2099, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2099, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



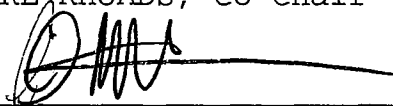
CLAYTON HEE, Chair



KARL RHOADS, Co-Chair



MICHELLE KIDANI, Co-Chair



ANGUS L.K. MCKELVEY, Co-Chair



KYLE T. YAMASHITA, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 2099, HD 1, SD 1	Date/Time: 4/26/12 ; 3:15 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	✓				RHOADS, Karl, Co-Chr.	✓			
KIDANI, Michelle N., Co-Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
SLOM, Sam				✓	YAMASHITA, Kyle T., Co-Chr.	✓			
					CHOY, Isaac W.	✓			
					FONTAINE, George R.	✓			
TOTAL	2	0	0	1	TOTAL	5	0	0	0

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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