

1 HOUSE BILL NO. 197
2 INTRODUCED BY Wm E. Doherty

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT THE
5 PENALTY IMPOSED UPON INSURERS WHO UNREASONABLY DELAY PAYING
6 WORKERS' COMPENSATION CLAIMS MAY BE IMPOSED WHEN AN INSURER
7 ACCEPTS LIABILITY BUT UNREASONABLY DELAYS PAYING A CLAIM
8 WHETHER OR NOT THE WORKERS' COMPENSATION COURT ORDERS
9 PAYMENT OF THE CLAIM; APPLYING THE MONTANA SUPREME COURT'S
10 DECISION IN HANDLOS V. CYPRUS, 47 ST. REP. 1329, 794 P.2D
11 702 (1990); AMENDING SECTION 39-71-2907, MCA; AND PROVIDING
12 AN APPLICABILITY DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Section 39-71-2907, MCA, is amended to read:

16 "39-71-2907. Increase in award for unreasonable delay
17 or refusal to pay. (1) ~~When payment of compensation has been~~
18 ~~unreasonably delayed or refused by an insurer, either~~ The
19 workers' compensation judge may increase the full amount of
20 a claimant's compensation benefits by 20% when:

21 (a) the insurer agrees to pay compensation benefits but
22 unreasonably delays or refuses to make the agreed-upon
23 payments to the claimant; or

24 (b) prior or subsequent to the issuance of an order by
25 the workers' compensation judge granting a claimant

1 compensation benefits, the ~~full amount of the compensation~~
2 ~~benefits due a claimant between the time compensation~~
3 ~~benefits were delayed or refused and the date of the order~~
4 ~~granting a claimant compensation benefits may be increased~~
5 ~~by the workers' compensation judge by 20% insurer~~
6 unreasonably delays or refuses to make the payments.

7 (2) The question of unreasonable delay or refusal shall
8 be determined by the workers' compensation judge, and such a
9 finding constitutes good cause to rescind, alter, or amend
10 any order, decision, or award previously made in the cause
11 for the purpose of making the increase provided herein.

12 ~~(2)~~ (3) A finding of unreasonableness under this section
13 does not constitute a finding that the insurer acted in bad
14 faith or violated the unfair trade practices provisions of
15 Title 33, chapter 18."

16 NEW SECTION. Section 2. Applicability. [This act]
17 applies to workers' compensation claims filed on or after
18 October 1, 1991.

-End-



APPROVED BY COMMITTEE
ON JUDICIARY

1 HOUSE BILL NO. 197

2 INTRODUCED BY BOHARSKI

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19 workers' compensation judge may increase BY 20% the full
20 amount of a claimant's compensation benefits by--20% DUE A
21 CLAIMANT DURING THE PERIOD OF DELAY OR REFUSAL TO PAY, when:

22 (a) the insurer agrees to pay compensation benefits but
23 unreasonably delays or refuses to make the agreed-upon
24 payments to the claimant; or

25 (b) prior or subsequent to the issuance of an order by

1 the workers' compensation judge granting a claimant
2 compensation benefits, the ~~full amount of the compensation~~
3 ~~benefits due a claimant between the time compensation~~
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8 (2) The question of unreasonable delay or refusal shall
9 be determined by the workers' compensation judge, and such a
10 finding constitutes good cause to rescind, alter, or amend
11 any order, decision, or award previously made in the cause
12 for the purpose of making the increase provided herein.

13 (2)(3) A finding of unreasonableness under this section
14 does not constitute a finding that the insurer acted in bad
15 faith or violated the unfair trade practices provisions of
16 Title 33, chapter 18."

17 NEW SECTION. Section 2. Applicability. {This act}
18 applies to workers' compensation claims filed on or after
19 October 1, 1991.

-End-

SECOND READING

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 7 unreasonably delays or refuses to make the payments.

8 (2) The question of unreasonable delay or refusal shall
 9 be determined by the workers' compensation judge, and such a
 10 finding constitutes good cause to rescind, alter, or amend
 11 any order, decision, or award previously made in the cause
 12 for the purpose of making the increase provided herein.

13 (3) A finding of unreasonableness under this section
 14 does not constitute a finding that the insurer acted in bad
 15 faith or violated the unfair trade practices provisions of
 16 Title 33, chapter 18."

17 NEW SECTION. Section 2. Applicability. [This act]
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 19 October 1, 1991.

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THIRD READING



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1 the workers' compensation judge granting a claimant
2 compensation benefits, the full amount of the compensation
3 benefits--due--a--claimant--between--the--time--compensation
4 benefits--were--delayed--or--refused--and--the--date--of--the--order
5 granting--a--claimant--compensation--benefits--may--be--increased
6 by--the--workers'--compensation--judge--by--20% insurer
7 unreasonably delays or refuses to make the payments.

8 (2) The question of unreasonable delay or refusal shall
9 be determined by the workers' compensation judge, and such a
10 finding constitutes good cause to rescind, alter, or amend
11 any order, decision, or award previously made in the cause
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14 does not constitute a finding that the insurer acted in bad
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19 October 1, 1991.

-End-

REFERENCE BILL