

House File 217 - Introduced

HOUSE FILE 217

BY HORBACH

A BILL FOR

1 An Act relating to the award of penalty benefits in workers'
2 compensation cases.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 86.13, subsection 4, paragraph a, Code
2 2011, is amended to read as follows:

3 a. If a denial, a delay in payment, or a termination of
4 benefits occurs without reasonable or probable cause or excuse
5 known to the employer or insurance carrier at the time of
6 the denial, delay in payment, or termination of benefits,
7 the workers' compensation commissioner shall award benefits
8 in addition to those benefits payable under this chapter, or
9 chapter 85, 85A, or 85B, up to fifty percent of the amount
10 of benefits to which the employee is found to be entitled,
11 that were denied, delayed, or terminated without reasonable or
12 probable cause or excuse.

13 Sec. 2. Section 86.13, subsection 4, Code 2011, is amended
14 by adding the following new paragraph:

15 NEW PARAGRAPH. d. The employee shall cooperate with a
16 reasonable investigation and evaluation by the employer or
17 insurance carrier into whether benefits were owed to the
18 employee, including but not limited to providing all reasonably
19 requested information, recorded statements, and authorizations
20 for release of information, and attendance at reasonably
21 requested evaluations by health service providers chosen by the
22 employer. Notwithstanding paragraphs "b" and "c", the failure
23 of an employee to cooperate with the employer's reasonable
24 investigation and evaluation shall be an absolute bar to the
25 award of penalty benefits to that employee pursuant to this
26 subsection.

27

EXPLANATION

28 This bill relates to the imposition of penalty benefits
29 in workers' compensation cases. Code section 86.13(4)(a) is
30 amended to specify that penalty benefits shall only be awarded
31 based on the amount of benefits to which the employee is found
32 to be entitled. Code section 86.13(4) is amended by adding a
33 provision that an employee must cooperate with a reasonable
34 investigation and evaluation by the employer or insurance
35 carrier into whether benefits were owed to the employee.

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1 Failure to do so is an absolute bar to the award of penalty
2 benefits to that employee.