

**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT OF S.B. NO. 2498**

Date: Thursday, February 2, 2012
Time: 9:30 am

LATE TESTIMONY

To: Chairman Clayton Hee and Members of the Senate Committee on Judiciary and
Labor:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in support of S.B. No. 2498, relating to Claims Against the State.

S.B. No. 2498 provides for interest on unfunded settlements with the State. Settlements by the State are normally funded by the legislature on a timely basis. Occasionally, however, settlements are not timely funded. Several settlements failed to receive funding last session, for example, for technical reasons. Payments of these settlements were thereby delayed for an additional year.

Current law does not provide for the payment of interest for these settlements. This measure corrects this situation and permits interest to be paid in this limited circumstance. It is important that interest be allowed where the State has agreed to a settlement but is unable to fund the settlement for technical reasons to maintain the integrity of State settlements. Otherwise parties will lose confidence in the State settlement process and will be discouraged from entering into settlements with the State. This will result in greater litigation costs if cases cannot be settled. It is also important that the State be viewed as taking responsibility for timely payment of its obligations as a matter of sound public policy.

Thank you very much for allowing me to testify in Support of this measure.
Please feel free to contact me should you have any questions or desire additional
information.