

SENATE BILL REPORT

SB 5793

As of February 23, 2005

Title: An act relating to industrial insurance final settlement agreements.

Brief Description: Authorizing industrial insurance final settlement agreements.

Sponsors: Senators Honeyford, Hewitt, Haugen and Mulliken.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/24/05.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Staff: Jennifer Strus (786-7316)

Background: An injured worker has no ability to waive the benefits provided under the workers' compensation law. The worker remains entitled to all benefits under the workers' compensation law for which he or she is eligible.

Summary of Bill: The parties to a workers' compensation claim may enter into a final settlement agreement at any time. All such settlements must be approved by the Board of Industrial Insurance Appeals (BIIA). The final settlement agreement may bind the parties to any aspect of a claim including the allowance or rejection of a claim, monetary payment, medical treatment, vocational services, and claim closure and reopening.

The final settlement agreement must be signed by the parties or their representatives and must clearly state that all parties agree to its terms. The agreement becomes binding 30 days after it is approved by the BIIA. A binding agreement is not subject to appeal.

In the event the worker is not represented by an attorney, the parties must forward to the BIIA a copy of the signed agreement with a request for a conference with a settlement officer. The settlement officer must convene the conference within 14 days of the request unless a later date is requested. At the conference the settlement officer must explain the application of workers' compensation benefits generally, and explain that the final settlement agreement may alter the benefits payable on a claim. The officer may reject an agreement only if he or she finds the parties have not entered into the agreement knowingly and willingly. Within seven days after the conference, the officer must issue an order allowing or rejecting the agreement. There is no appeal from this order.

If the officer issues an order allowing the final settlement agreement, the order must be submitted to the BIIA. Upon receipt of the order, the BIIA must approve it unless it finds that the agreement was not willingly and knowingly entered into. Once approved by the BIIA, the Department of Labor and Industries must be notified.

A party may revoke consent to the agreement by providing written notice to the other parties and the BIIA within 30 days after the date the BIIA approves the agreement.

Appropriation: None.

Fiscal Note: Requested on February 8, 2005.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.