

Lump Sum Settlements

A claim is settled when the parties to the claim agree to a sum of money to forever resolve all past, present or future claim issues or liabilities. The injured worker benefits by receiving a lump sum payment for the claim. The employer can benefit by fixing the claim costs, which will allow BWC to more accurately compute premiums.

BWC will review each claim to:

- Understand the potential benefits of settlement;
- Determine if the claim is ready for settlement;
- Identify a value for settlement.

Two types of settlements

Partial and full

Partial settlement means settling only certain conditions, compensation and/or benefits. Although a claim may be partially settled, a reserve still exists. A reserve is an estimated value used to determine the future premium of an employer. Full settlement means settling all allowed conditions, compensation and benefits, which ends the reserve.

Settlement for employers

Settlement can help employers manage costs and bring closure to a claim for their employee. By fixing the claim costs, settlement allows BWC to compute the premium more accurately. Employers can also enjoy a reduction in overall administrative costs by reducing the number of claims they manage.

Employers should do the following before pursuing a settlement agreement:

- Evaluate whether it is in your best interest to settle the claim to resolve premium or non-premium issues, which the settlement might impact with this employee or other employees having similar claims;
- Contact your employer representative to discuss the merits of pursuing a settlement;
- If you are experience rated, obtain each claim's reserve, located on the exhibit letters BWC issues to you. If the claim is still within your experience period, assess how settling these claims would affect your premiums;
- Log on to ohiobwc.com and conduct a personalized policy scenario to get a general idea on how a settlement of a specific claim impacts your premiums.

Settlement for employees

Settlement affords an injured worker the freedom to manage treatment priorities on his or her timeline and schedule.

Injured workers should consider the following before pursuing a settlement:

- Future medical expenses, lost time from employment and work restrictions for the allowed conditions in the claim(s);
- The settlement's effect on current and future benefits;
- Responsibilities of managing money set aside for future medical treatment.

Injured workers with legal representation should contact their attorney for any legal advice regarding the settlement.

30-day waiting period

If all parties and BWC sign the settlement agreement, the BWC claims service specialist sends an approval letter to all parties and to the Industrial Commission of Ohio (IC). A 30-day waiting period follows, which begins when BWC mails the approval letter. Any party to the settlement can withdraw in writing and by copying all parties. The IC can disapprove the agreement during that time if it finds the settlement amount to be clearly unfair or a gross miscarriage of justice. BWC makes a payment after the settlement becomes final (the waiting period expires, no party withdraws and the IC does not disapprove the settlement).

Come ready

If settlement is right for you, you or your representative should contact the other party and file the application jointly. You can file a joint application without reaching an agreement on a settlement amount. However, BWC processes applications more quickly if both parties agree on the settlement amount.

Keep in mind that BWC must approve all settlements, including the settlement amount, even if you and the other party have agreed on an amount. In some cases, employer signature is not required for a settlement. The injured worker can contact BWC to determine if the employer's signature is required in a particular case.

You must file the settlement request on the *Settlement Agreement and Application for Approval of Settlement Agreement, C-240* (state-fund claims only). You may file the settlement application either online at ohiobwc.com, by completing the interactive C-240 (select either InjuredWorkers or Ohio Employers and then Forms), or with a local BWC customer service office.

For more information, call 1-800-644-6292, and listen to the options. In addition, you may visit ohiobwc.com.