

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;
- Better identify the right value for settlement.

Two types of settlements:

Partial and full.

Partial settlements mean 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 consider 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 reserving level, 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 our Web site, 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 employee the freedom to manage his or her own treatment priorities, on their timeline and on their schedule.

Employees with claims should consider the following before pursuing a settlement agreement:

- 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 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 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 the approval letter is mailed. Any party to the settlement can withdraw in writing and by copying all parties. The IC can disapprove the agreement during that time. BWC makes a payment after the settlement becomes final (the waiting period expires, no party withdraws and the Industrial Commission of Ohio does not disapprove the settlement).

Come ready

BWC processes applications that are ready to go (signed by both parties) much faster than one-party applications for settlement.

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.

Keep in mind that BWC must approve all settlements even if you and the other party have agreed on an amount.

In some cases, you do not need the employer's signature to apply for a settlement. The employee can contact BWC to determine if the employer's signature is required.

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

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