

# Structured Settlement

## *Program Overview & Interests*





## What is the Structured Settlement Program

- A component of historic workers' compensation reform passed by the 2011 state legislature
- Allows Labor & Industries and Self-insured Employers
  - Settle the non-medical portion of a claim
  - Globally resolve qualified workers' claims

*“The legislature finds that Washington State’s workers’ compensation system should be designed to **focus on achieving the best outcomes for injured workers**. Further, the legislature recognizes that **controlling pension costs** is key to a financially sound workers’ compensation system for employers and workers. To these ends, the legislature recognizes that **certain workers would benefit** from an option that allows them to initiate claim resolution structured settlements in order **to pursue work or retirement goals independent of the system**, provided that **sufficient protections** for injured workers are included.” **Sec. 301. chapter 51.04 RCW***



## Structured Settlement Unit Staff

- Unit Supervisor
  - LaNae Lien
- Negotiators:
  - Caitlin Bates
  - Christy Cammarata
  - Robert Cites
  - Patrick Delozier
  - Corey Geller
  - Susan Mankowski
  - Martin Scheurich



## Who is Eligible for Settlement?

Three statutory requirements

- An eligible injured worker ...
  - Must be at least 55 years old, and
  - Have an accepted workers' comp claim, and
  - Have submitted his or her claim 180 days ago
- Age limits will change in 2015 (53) and 2016 (50)



## **L&I will review all state fund settlement requests to determine if negotiations should proceed**

- Worker's age
- Nature and extent of all injuries or diseases, regardless of whether claim-related
- Nature and extent of disabilities related to conditions accepted under the claim
- Other medical conditions unrelated to the claim
- Other claims, whether open or closed
- Other settlements (not limited to other structured settlements)



## **L&I will review all state fund settlement requests to determine if negotiations should proceed, cont.**

- Worker's life expectancy
- Worker's marital status
- Number and age of dependents
- Present and future income sources and benefits
- Employment history
- Education
- Labor market
- Effect settlement may have on other benefits



## Settlement Considerations

- Claim management continues, including vocational services (timelines remain)
- L&I Structured Settlement Unit will negotiate each request based on the individual facts and circumstances of the worker
- There are no set criteria that will automatically weigh in favor or against settlement
- All settlements must be in the best interest of the worker



# What is my role as a vocational counselor?

- Am I required to inform workers of this option?
  - No. Settlement is a voluntary option, but it should be discussed when it might offer the worker a better outcome than traditional vocational options
- Is settlement “Option 3?”
  - No. Settlement can be explored at any time during the vocational process and the amount is not directly tied to any benefits available under options 1 or 2
- What do I tell a worker about structured settlement?
  - It is an option for pursuing work or retirement goals independent of the system
  - Threshold criteria, i.e. age, final allowance, 180 days in house
  - Fact specific determination



# What is my role as a vocational counselor?

- Assist L&I in managing worker expectations
- Continue to provide your services to the worker until agreement is final (30 days after BIIA approval)
- Refer workers to the Structured Settlement Unit, not their Claim Manager, if they want to discuss settlement
- Work with the Structured Settlement Unit to gather information necessary for an agreement



## Three Varieties of Structured Settlements

### 1. Lump sum payment

- Statute allows for initial payment up to six times state's average monthly wage, but no less than 25%

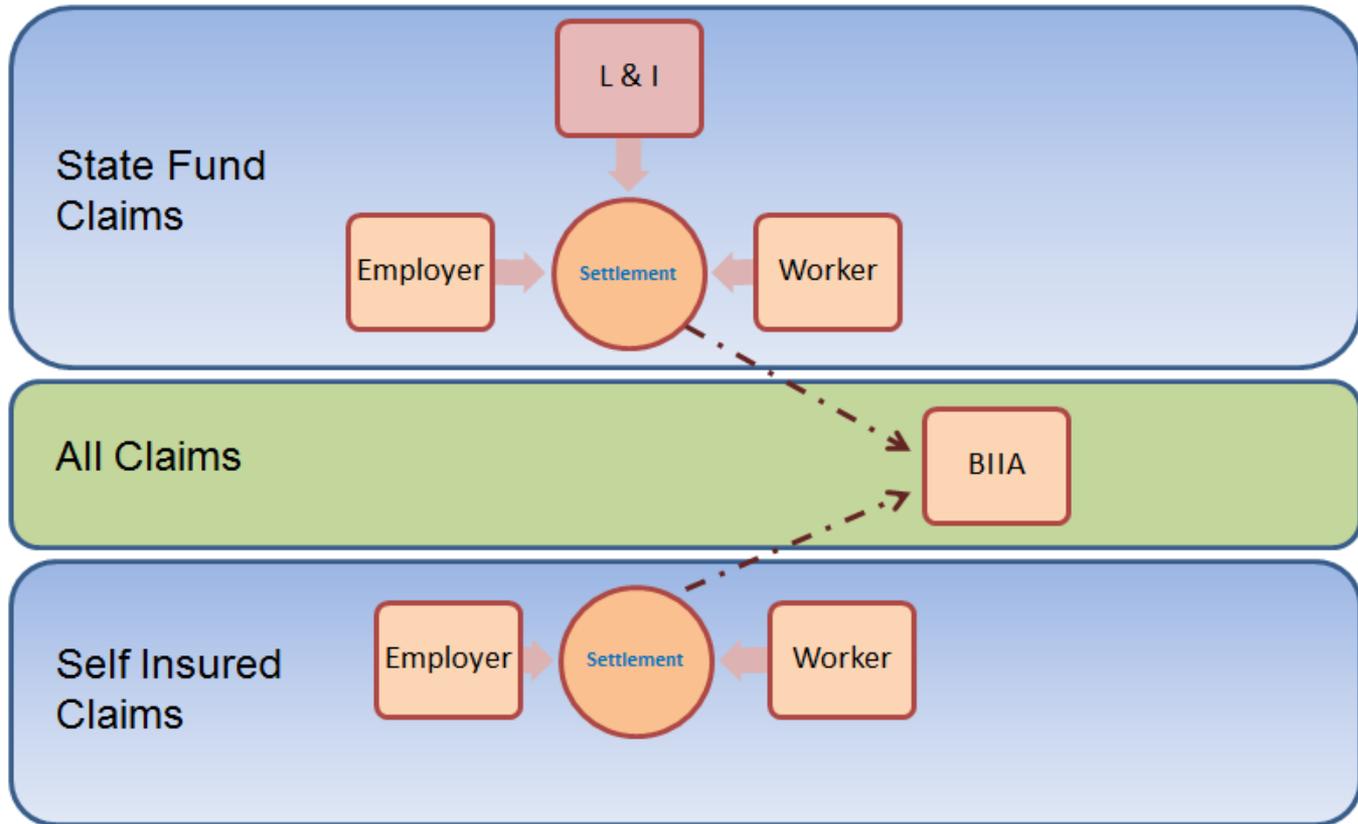
### 2. Initial payout plus set amount of periodic payments

- Initial payment up to six times state's average monthly wage. Subsequent periodic payments at least 25%, but no more than 150% average monthly wage. Periodic payments may be made monthly or bi-weekly

### 3. Lifetime periodic payment

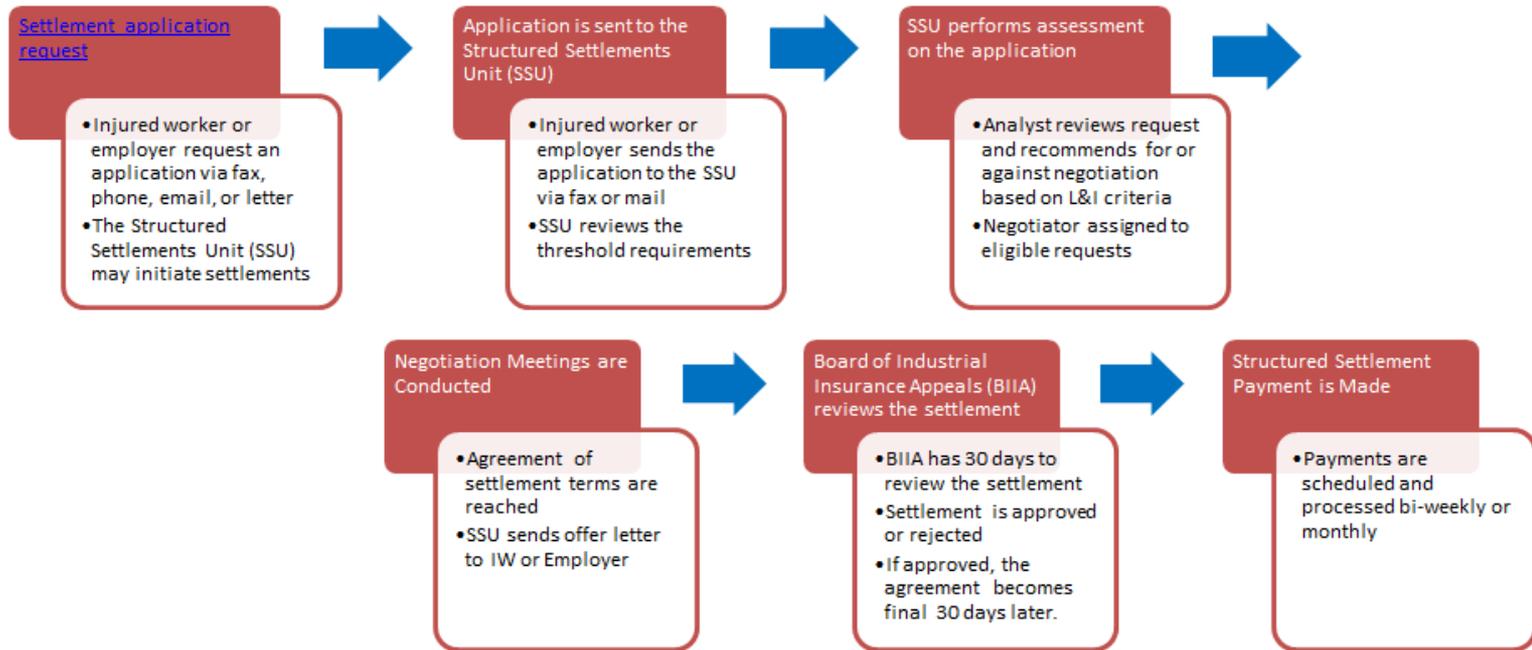


# Who Will be a Party to These Agreements?





# What's the Process for Negotiating a Structured Settlement



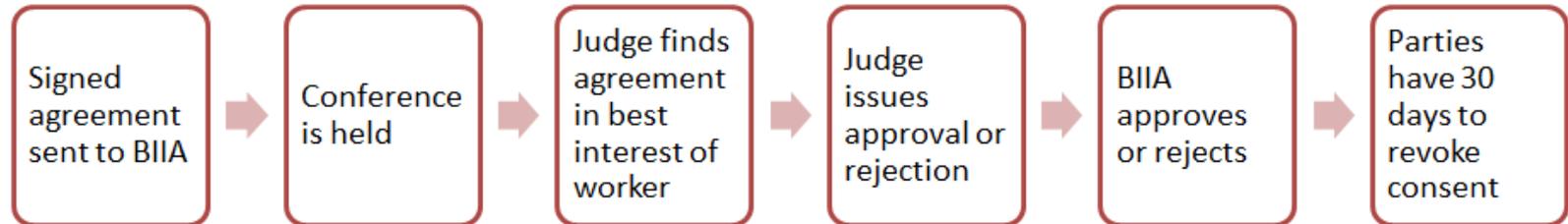
- *At any point, the process may be stopped or rejected by any of the parties.*
- *All claims will be actively managed and benefits continue until the structured settlement is approved.*



# How Will the Agreements be Approved?

➤ *All agreements must be approved by the Board of Industrial Insurance Appeals (BIIA)*

For an unrepresented worker



For a represented worker





Washington State Department of  
**Labor & Industries**



# Settlement Stories...



## Who do I contact if I have more questions?

- Please see our website for updated information at: [Structured Settlement FAQ's](#)
- Or you may call the Structured Settlement Program at:  
360-902-6101
- You also may submit your questions by email to: [LNI RE Structured Settlement Unit](#)