

1 S.23

2 Introduced by Senator Sirotkin

3 Referred to Committee on Finance

4 Date: January 20, 2015

5 Subject: Labor; employer's liability and workers' compensation; settlements  
6 and lump-sum benefit payments

7 Statement of purpose of bill as introduced: This bill proposes to prevent an  
8 injured worker from agreeing to a final settlement of his or her workers'  
9 compensation claim without being fully informed as to the terms and potential  
10 consequences of such an agreement.

11 An act relating to required disclosures for workers' compensation  
12 settlements

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 21 V.S.A. § 662a is added to read:

15 § 662a. FINAL SETTLEMENT OF CLAIMS; REQUIRED DISCLOSURE

16 If an employer and an injured employee enter into an agreement that  
17 constitutes a full and final settlement of all or a part of the employee's claim,  
18 the Commissioner shall not approve the agreement pursuant to section 662 of  
19 this chapter unless:

1           (1) The employer provides the employee with a written disclosure  
2           statement explaining the consequences of the proposed agreement with respect  
3           to the employee's rights under the provisions of this chapter to obtain  
4           compensation, vocational rehabilitation, and medical benefits, including  
5           ongoing and future surgical, medical, and nursing services and supplies. At a  
6           minimum, the disclosure statement shall:

7                   (A) clearly state the amount for which the employer and employee  
8                   have agreed to settle the claim;

9                   (B) describe the employee's injury, including any rating assigned to  
10                  that injury ~~and the approximate amount of compensation that the employer~~  
11                  ~~would be required to pay to the employee under the provisions of this chapter~~  
12                  ~~if the employer and employee did not enter into the agreement;~~

13                  (C) specifically identify all current or ongoing medical benefits that  
14                  will terminate as a result of the agreement; and

15                  (D) specifically identify any rights to obtain compensation,  
16                  vocational rehabilitation, and medical benefits under the provisions of this  
17                  chapter that the employee will relinquish by agreeing to the settlement.

18           (2) The employee signs the disclosure statement provided pursuant to  
19           subdivision (1) of this section acknowledging that he or she has been fully  
20           informed of and understands the terms and conditions of the proposed  
21           agreement and its consequences with respect to his or her rights under the

1 provisions of this chapter to obtain compensation, vocational rehabilitation,  
2 and medical benefits, including ongoing and future surgical, medical, and  
3 nursing services and supplies.

4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on July 1, 2015.