

S.23

An act relating to required disclosures for workers' compensation settlements

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

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

§ 662a. FINAL SETTLEMENT OF CLAIMS; REQUIRED DISCLOSURE

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

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

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

(B) describe the employee's injury, including any rating assigned to that injury;

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

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

(2) The employee signs the disclosure statement provided pursuant to subdivision (1) of this section acknowledging that he or she has been fully informed of and understands the terms and conditions of the proposed agreement and its consequences with respect to his or her rights under the provisions of this chapter to obtain compensation, vocational rehabilitation, and medical benefits, including ongoing and future surgical, medical, and nursing services and supplies.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2015.