



3 things you can do to ensure a smooth workers' compensation settlement

An injured worker is not required to accept an insurance company's payment for hospital bills, disability payments or lost wages under workers comp law. The worker can pursue a monetary settlement as an alternative. The settlement process can be time consuming, stressful, and cause years of over-inflated experience mods for you, the business owner.



Here's what you should know about the settlement process to help expedite the paperwork, maintain an amicable relationship with your employee, and reduce your lawsuit anxiety.

First, it's important to know what can be included in a settlement

- Medical bills, emergency transportation, surgery, physical therapy, etc
- Disability payments that can vary depending on the type of injury and its severity.
- Lost wages and future loss of wages. Lost wages are dictated by California law at a weekly rate (2/3 of pretax gross income with a maximum of \$1,215 per week). Future wage loss can be fiercely debated depending on the extent of injury, person's age, etc.
- Pain and suffering can be included if presented with allegations of employer negligence.
- Attorney fees. The longer a settlement is drawn out - the higher this amount becomes.

Before a settlement is reached, the employee's attorney calculates what they want for a payout and will contact the insurance company for negotiation. As a business owner, you can do a few things help ensure the settlement proceeds as smoothly as possible.

1. Provide your employee with the necessary claims paperwork and claims adjuster contact information.
2. Keep the employee updated on your company's work injury policies and Return to Work program.
3. Remain calm and maintain open lines of communication between your claims adjuster and insurance agent. Feel free to reach out to the adjuster and check-in on the status of the settlement.

Settlements will be reached when you, the employee's attorney and insurance company reach an agreement. If agreement cannot be reached and negotiations stall, the settlement will go to trial. At trial, a workers comp judge evaluates the case and decides what, if anything, the insurance company pays for the claim.

When I worked at a workers compensation insurance company, I noticed that California judges almost always rule in a favor of the injured employee. Settling a claim can be difficult for a business owner to accept, but oftentimes it's more economical than the risk of giving up any negotiation power in a court room. Settling before trial is strongly encouraged to help protect your experience mod during the "4-year hangover".

The business owner isn't completely helpless in a workers comp lawsuit. There are areas where you, your agent, and your insurance company can help improve a bad situation. Wraith, Scarlett, and Randolph Insurance has been helping businesses navigate the workers compensation settlement process for 100 years.

Contact Andrew Dyba at 530-662-9181 or andrewd@wsrins.com for assistance with your insurance needs.