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**SENATE BILL 5793**

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**State of Washington                      59th Legislature                      2005 Regular Session**

**By** Senators Honeyford, Hewitt, Haugen and Mulliken

Read first time 02/07/2005.      Referred to Committee on Labor,  
Commerce, Research & Development.

1            AN ACT Relating to industrial insurance final settlement  
2 agreements; and adding a new section to chapter 51.32 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.** A new section is added to chapter 51.32 RCW  
5 to read as follows:

6            (1)(a) The parties to a claim may enter into a final settlement  
7 agreement at any time as provided in this section with respect to one  
8 or more claims under this title. All final settlement agreements must  
9 be approved by the board of industrial insurance appeals. The final  
10 settlement agreement may:

11            (i) Bind the parties with regard to any or all aspects of a claim,  
12 including but not limited to allowance or rejection of a claim,  
13 monetary payment, provision of medical treatment, vocational services,  
14 claim closure, and claim reopening under RCW 51.32.160; and

15            (ii) Not subject any employer who is not a signatory to the  
16 agreement to any responsibility or burden under any claim.

17            (b) For purposes of this section, the term "parties" means as  
18 follows:

19            (i) For a self-insured claim, the worker and the employer; and

1 (ii) For a state fund claim, the worker, the employer, and the  
2 department of labor and industries. If the employer participates in a  
3 retrospective rating plan under chapter 51.18 RCW, the retrospective  
4 rating group, through its administrator, shall also be a party.

5 (c) A final settlement agreement entered into under this section  
6 must be signed by the parties or their representatives and must clearly  
7 state that the parties agree to the terms of the final settlement  
8 agreement. Unless one of the parties revokes consent to the agreement,  
9 as provided in subsection (3) of this section, the final settlement  
10 agreement becomes final and binding thirty days after approval of the  
11 agreement by the board of industrial insurance appeals.

12 (d) A final settlement agreement that has become final and binding  
13 as provided in this section is binding on the department and on all  
14 parties to the agreement as to its terms and the injuries and  
15 occupational diseases to which the final settlement applies. A final  
16 settlement agreement that has become final and binding is not subject  
17 to appeal.

18 (2)(a) If a worker is not represented by an attorney at the time of  
19 signing a final settlement agreement, the parties must forward a copy  
20 of the signed settlement agreement to the board with a request for a  
21 conference with a settlement officer. Unless one of the parties  
22 requests a later date, the settlement officer must convene a conference  
23 within fourteen days after receipt of the request for the limited  
24 purpose of receiving the final settlement agreement of the parties,  
25 explaining the benefits generally available under this title, and  
26 explaining that a final settlement agreement may alter the benefits  
27 payable on a claim. In no event may a settlement officer render legal  
28 advice to any party.

29 (b) The settlement officer may reject a settlement agreement only  
30 if the officer finds the parties have not entered into the agreement  
31 knowingly and willingly. Within seven days after the conference, the  
32 settlement officer shall issue an order allowing or rejecting the final  
33 settlement agreement. There shall be no appeal from the settlement  
34 officer's decision.

35 (c) If the settlement officer issues an order allowing the final  
36 settlement agreement, the order shall be submitted to the board.

37 (3) If a worker is represented by an attorney at the time of

1 signing a final settlement agreement, the parties may submit the  
2 agreement directly to the board without the conference described in  
3 this section.

4 (4) Upon receiving the final settlement agreement, the board shall  
5 approve the agreement unless it finds that the parties have not entered  
6 into the agreement knowingly and willingly. If the board approves the  
7 agreement, it shall provide notice to the department of the binding  
8 terms of the agreement and provide for placement of the agreement in  
9 the applicable claim files.

10 (5) A party may revoke consent to the final settlement agreement by  
11 providing written notice to the other parties and the board within  
12 thirty days after the date the agreement is approved by the board.

13 (6) To the extent the worker is entitled to temporary total  
14 disability or permanent total disability benefits while a final  
15 settlement agreement is being negotiated, or during the revocation  
16 period of an agreement, such benefits shall be paid until the agreement  
17 becomes final.

18 (7) If the parties have provided in a final settlement agreement  
19 that a claim is not subject to reopening pursuant to RCW 51.32.160, any  
20 application to reopen the claim must be denied.

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