

**WORKERS' COMPENSATION ACT AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends Workers' Compensation Act provisions related to review and approval of settlement agreements.

**Highlighted Provisions:**

This bill:

▶ amends the Workers' Compensation Act to require an administrative law judge to review and approve an agreement of the parties to a full and final settlement only if any party is not represented by legal counsel.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**34A-2-420**, as last amended by Laws of Utah 2014, Chapter 82

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **34A-2-420** is amended to read:

**34A-2-420. Continuing jurisdiction of commission -- No authority to change statutes of limitation -- Authority to destroy records -- Interest on award -- Authority to**



28 **approve final settlement claims.**

29 (1) (a) The powers and jurisdiction of the commission over each case is continuing.

30 (b) After notice and hearing, the Division of Adjudication, commissioner, or Appeals  
31 Board in accordance with Part 8, Adjudication, may from time to time modify or change a  
32 former finding or order of the commission.

33 (c) This section may not be interpreted as modifying the statutes of limitations  
34 contained in Section 34A-2-417 or other sections of this chapter or Chapter 3, Utah  
35 Occupational Disease Act, or authorizing the commission to change these statutes of  
36 limitations.

37 (d) In addition to other settlements permissible under this chapter or Chapter 3, Utah  
38 Occupational Disease Act, and notwithstanding Subsection (1)(c), the commission may  
39 approve a full and final settlement of an employee's claim for compensation under this chapter  
40 or Chapter 3, Utah Occupational Disease Act, including the payment of medical and disability  
41 benefits, if:

42 (i) (A) the employee's claim for medical benefits is allowed under Subsection  
43 34A-2-417(1), but the payment of disability benefits associated with the medical benefits and  
44 resulting treatment is barred pursuant to Subsection 34A-2-417(2); and

45 (B) the full and final settlement is presented to the commission for approval; or

46 (ii) an employee's claim for compensation under this chapter or Chapter 3, Utah  
47 Occupational Disease Act, is the liability of the Employers' Reinsurance Fund created in  
48 Section 34A-2-702 or the Uninsured Employers' Fund created in Section 34A-2-704.

49 (2) A record pertaining to a case that has been closed and inactive for 10 years, other  
50 than a case of total permanent disability or a case in which a claim has been filed as in Section  
51 34A-2-417, may be destroyed at the discretion of the commission.

52 (3) An award made by a final order of the commission shall include interest at the rate  
53 of 8% per annum from the date when each benefit payment would have otherwise become due  
54 and payable.

55 (4) ~~Notwithstanding~~ If any party is not represented by legal counsel, notwithstanding  
56 Subsection (1) and Section 34A-2-108, an administrative law judge shall review and may  
57 approve the agreement of the parties to enter into a full and final settlement by means of a:

58 (a) compromise settlement of disputed medical, disability, or death benefit entitlements

59 under this chapter or Chapter 3, Utah Occupational Disease Act; or

60 (b) commutation and settlement of reasonable future medical, disability, or death  
61 benefit entitlements under this chapter or Chapter 3, Utah Occupational Disease Act, by means  
62 of a lump sum payment, structured settlement, or other appropriate payout.

63 (5) A full and final settlement approved under this section shall extinguish the  
64 employer's liability to the employee under this chapter and Chapter 3, Utah Occupational  
65 Disease Act, except for an issue that is expressly preserved.

66 (6) A full and final settlement effectuating a compromise or commutation may provide  
67 for payment of benefits:

68 (a) in cash or cash equivalents; or

69 (b) through an insurance contract or by a third party if the commission determines that  
70 the payment provisions:

71 (i) are secure and assign, transfer, or reinsure the financial obligation to make benefit  
72 payments to a qualified third party in compliance with commission rules; or

73 (ii) do not relieve the parties of their underlying liability for payments required by the  
74 full and final settlement agreement.