

ADMINISTRATIVE PROCEDURE 6110
WORKERS' COMPENSATION CLAIM SETTLEMENT AUTHORITY

The following rules and procedures apply to the settlement of Workers' Compensation claims.

Workers' Compensation claims are managed under the legal authority of Peralta Community College District's (PCCD) contracted insurance provider Alliance of Schools Cooperative Insurance Programs (ASCIP) as provided by the Memorandum of Insurance (MOU). As such, the MOU provides workers' compensation insurance to PCCD and carries a deductible for each claim.

Under the authority of ASCIP, York Risk Services manages all workers' compensation claims for ASCIP insurance members with oversight from the Office of Risk Management. In addition, California court oversight and management of workers' compensation claims and court cases is provided by the Workers' Compensation Appeals Board (WCAB). WCAB rules on policy, manages court cases and approves all litigated and non-litigated workers' compensation settlements.

ASCIP and York Risk Services present settlement recommendations to PCCD through the Office of Risk Management for approval according to PCCD policies and procedures. All settlement recommendations presented to PCCD must first meet WCAB guidelines. The Office of Risk Management reviews all settlement requests and recommends approval based on the settlement authority guidelines outlined below in this procedure with the knowledge that all settlements must meet the legal requirements of the WCAB and must be approved by a WCAB judge.

PCCD's authority to approve settlements is limited to the amount of the District's insurance deductible for workers' compensation.

There are two ways to settle a workers' compensation claim:

1. Compromise and Release, a type of settlement which closes a workers' compensation claim forever in which the claimant receives a lump sum payment and become responsible for paying for their future medical care. A settlement like this must be approved by a workers' compensation judge;
2. Stipulated Finding, a type of settlement where an agreement which reaches the same decisions that a judge would make after a trial on permanent disability and future medical benefits entitlement. A settlement like this must be approved by a workers' compensation judge.

Settlement Authority Guidelines

- A. The Chancellor (or designee) shall approve all Compromise and Release settlements over \$50,000.
- B. The Risk Manager, in consultation with General Counsel, is authorized to settle:
 1. All Workers' Compensation permanent disability claims settled by Stipulation with Request for Award; and
 2. Compromise and Release settlements up to \$49,999.

Approved by Chancellor: February 14, 2014