

LEGISLATIVE ACTION

Senate House

Comm: RCS 04/15/2009

The Committee on Judiciary (Ring) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraph (c) of subsection (3) of section 440.105, Florida Statutes, is repealed.

Section 2. Paragraph (c) of subsection (11) of section 440.20, Florida Statutes, is amended to read:

440.20 Time for payment of compensation and medical bills; penalties for late payment.-

(11)

2 3

4

5

6

8

9

10

11 12

(c) Notwithstanding s. 440.21(2), when a claimant is

14

15

16 17

18 19

20

2.1

22

23

24

25

26

27

28 29

30 31

32

33

34

35

36

37

38

39

40 41



represented by counsel, the claimant may waive all rights to any and all benefits under this chapter by entering into a settlement agreement releasing the employer and the carrier from liability for workers' compensation benefits in exchange for a lump-sum payment to the claimant. The settlement agreement requires approval by the judge of compensation claims shall enter an order determining what, if any, portion of the settlement proceeds must be allocated to satisfy any child support arrearage only as to the attorney's fees paid to the claimant's attorney by the claimant. The parties need not submit any information or documentation in support of the settlement, except as needed to justify the amount of the attorney's fees. Neither the employer nor the carrier is responsible for any attorney's fees relating to the settlement and release of claims under this section. Attorney's fees related to a settlement and release of claims are not subject to the provisions of s. 440.34(1). However, any attorney's fees paid by a claimant may not exceed the amount allowable under the Supreme Court's guidelines governing contingency fee agreements based upon the gross amount of the settlement. Payment of the lump-sum settlement amount must be made within 14 days after the date the judge of compensation claims mails the order determining the portion of the settlement proceeds, if any, that must be allocated to satisfy a child support arrearage approving the attorney's fees. Any order entered by a judge of compensation claims approving the attorney's fees as set out in the settlement under this subsection is not considered to be an award and is not subject to modification or review. The judge of compensation claims shall report these settlements to the Deputy

43

44 45

46

47 48

49

50

51

52

53

54 55

56 57

58

59 60

61

62

63

64

65

66

67

68

69

70



Chief Judge in accordance with the requirements set forth in paragraphs (a) and (b). Settlements entered into under this subsection are valid and apply to all dates of accident.

Section 3. Section 440.34, Florida Statutes, is amended to read:

440.34 Attorney's fees; costs.-

- (1) A claimant is responsible for the payment of his or her own attorney's fees, except that he or she is entitled to recover attorney's fees payable by a carrier or employer if:
- (a) A carrier or employer furnishes benefits claimed in a petition for benefits more than 30 days after the carrier or employer, if self-insured, receives the petition; or
- (b) The claimant successfully prevails in a proceeding filed under s. 440.24 or s. 440.28.

The attorney's fees a carrier or employer must pay under this subsection must equal 25 percent of the first \$5,000 of the amount of the benefits secured, 20 percent of the next \$5,000 of the amount of the benefits secured, and 15 percent of the remaining amount of the benefits secured. However, an attorney's fee payable under this subsection may not be less than the fee paid by the employer or carrier to the employer's or carrier's attorneys to defend against the claim.

(2) Unless the parties agree otherwise, attorney's fees payable under subsection (1) shall be determined A fee, gratuity, or other consideration may not be paid for a claimant in connection with any proceedings arising under this chapter, unless approved as reasonable by the judge of compensation claims or court having jurisdiction over such proceedings. Any

72

73

74

75

76

77

78 79

80

81

82

83 84

85 86

87

88 89

90

91 92

93

94 95

96

97

98 99



attorney's fee approved by a judge of compensation claims for benefits secured on behalf of a claimant must equal to 20 percent of the first \$5,000 of the amount of the benefits secured, 15 percent of the next \$5,000 of the amount of the benefits secured, 10 percent of the remaining amount of the benefits secured to be provided during the first 10 years after the date the claim is filed, and 5 percent of the benefits secured after 10 years. The judge of compensation claims shall not approve a compensation order, a joint stipulation for lumpsum settlement, a stipulation or agreement between a claimant and his or her attorney, or any other agreement related to benefits under this chapter that provides for an attorney's fee in excess of the amount permitted by this section. The judge of compensation claims is not required to approve any retainer agreement between the claimant and his or her attorney. The retainer agreement as to fees and costs may not be for compensation in excess of the amount allowed under this section.

(3) (2) In awarding a claimant's attorney's fee, the judge of compensation claims shall consider only those benefits secured by the attorney. An attorney is not entitled to attorney's fees for representation in any issue that was ripe, due, and owing and that reasonably could have been addressed, but was not addressed, during the pendency of other issues for the same injury. The amount, statutory basis, and type of benefits obtained through legal representation shall be listed on all attorney's fees awarded by the judge of compensation claims. For purposes of this section, the term "benefits secured" does not include future medical benefits to be provided on any date more than 5 years after the date the claim is filed.

101

102

103

104

105

106 107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128



In the event an offer to settle an issue pending before a judge of compensation claims, including attorney's fees as provided for in this section, is communicated in writing to the claimant or the claimant's attorney at least 30 days prior to the trial date on such issue, for purposes of calculating the amount of attorney's fees to be taxed against the employer or carrier, the term "benefits secured" shall be deemed to include only that amount awarded to the claimant above the amount specified in the offer to settle. If multiple issues are pending before the judge of compensation claims, said offer of settlement shall address each issue pending and shall state explicitly whether or not the offer on each issue is severable. The written offer shall also unequivocally state whether or not it includes medical witness fees and expenses and all other costs associated with the claim.

(4) (3) If any party should prevail in any proceedings before a judge of compensation claims or court, there shall be taxed against the nonprevailing party the reasonable costs of such proceedings, not to include attorney's fees. A claimant shall be responsible for the payment of her or his own attorney's fees, except that a claimant shall be entitled to recover a reasonable attorney's fee from a carrier or employer:

(a) Against whom she or he successfully asserts a petition for medical benefits only, if the claimant has not filed or is not entitled to file at such time a claim for disability, permanent impairment, wage-loss, or death benefits, arising out of the same accident;

(b) In any case in which the employer or carrier files a response to petition denying benefits with the Office of the Judges of Compensation Claims and the injured person has

130

131

132

133

134

135

136

137 138

139

140

141 142

143

144

145 146

147

148 149

150

151

152

153

154

155

156

157



employed an attorney in the successful prosecution of the petition;

- (c) In a proceeding in which a carrier or employer denies that an accident occurred for which compensation benefits are payable, and the claimant prevails on the issue of compensability; or
- (d) In cases where the claimant successfully prevails in proceedings filed under s. 440.24 or s. 440.28.

Regardless of the date benefits were initially requested, attorney's fees shall not attach under this subsection until 30 days after the date the carrier or employer, if self-insured, receives the petition.

- (5) (4) In such cases in which the claimant is responsible for the payment of her or his own attorney's fees, such fees are a lien upon compensation payable to the claimant, notwithstanding s. 440.22.
- (6) (5) If any proceedings are had for review of any claim, award, or compensation order before any court, the court may award the injured employee or dependent an attorney's fee to be paid by the employer or carrier, in its discretion, which shall be paid as the court may direct.
- (7) (6) A judge of compensation claims may not enter an order approving the contents of a retainer agreement that permits the escrowing of any portion of the employee's compensation until benefits have been secured.
- (8) Nothing in this chapter impairs the right of a claimant to contract with an attorney for representation in connection with a claim filed under this chapter, except that an attorney

159

160

161

162

163

164 165

166

167 168

169

170

171

172

173 174

175

176

177 178

179

180

181 182

183

184

185

186



may not recover an attorney's fee from a claimant on benefits secured for which an attorney's fee has been paid by a carrier or employer pursuant to this section.

(9) Notwithstanding any provision of law to the contrary, attorney's fees and costs of the prevailing party paid by a carrier to a claimant or a claimant's attorney pursuant to this chapter may not be recouped, directly or indirectly, by any carrier, included in any rate base or rate filing, or used to justify a rate or rate change.

(7) If an attorney's fee is owed under paragraph (3) (a), the judge of compensation claims may approve an alternative attorney's fee not to exceed \$1,500 only once per accident, based on a maximum hourly rate of \$150 per hour, if the judge of compensation claims expressly finds that the attorney's fee amount provided for in subsection (1), based on benefits secured, fails to fairly compensate the attorney for disputed medical-only claims as provided in paragraph (3) (a) and the circumstances of the particular case warrant such action.

Section 4. This act shall take effect upon becoming a law.

======== T I T L E A M E N D M E N T ========= And the title is amended as follows:

Delete everything before the enacting clause and insert:

> An act to be entitled An act relating to workers' compensation; repealing s. 440.105(3)(c), F.S., relating to the prohibition against a fee, consideration, or gratuity for an attorney or other person for certain services;

188

189

190

191

192

193

194

195

196

197

198

199 200

201

202

203

204

205

206

207

208

209

210

211

212

213

214

215



amending s. 440.20, F.S.; requiring that a judge of compensation claims enter an order determining the portion of settlement proceeds to be allocated to child support arrearages; deleting the requirement that a judge of compensation claims approve the attorney's fees paid by a claimant; deleting the requirement that parties to a settlement submit information or documentation to support the settlement; exempting settlement attorney's fees from certain provisions of state law; limiting the amount of attorney's fees paid by a claimant; requiring payment of a settlement within a specified time after a judge determines the portion of the settlement amount allocated to child support; amending s. 440.34, F.S.; providing that a claimant is responsible for the payment of his or her attorney's fees; providing exceptions; specifying a schedule for the determination of attorney's fees to be paid by a carrier or employer; requiring that a judge of compensation claims determine the amount of attorney's fees unless the parties agree otherwise; deleting certain restrictions on the amount of attorney's fees; deleting requirements relating to offers of settlement; preserving the right of a claimant to contract with an attorney for representation in connection with certain claims; prohibiting the recovery of attorney's fees under certain circumstances; prohibiting the recoupment of certain attorney's fees and costs by a carrier; prohibiting

218

219



the inclusion of such fees or costs in any rate base or rate filing and the use of such fees or costs to justify a rate or rate change; providing an effective date.