## CHAMBER ACTION

Senate

.
.
.

Representative Planas offered the following:

1 2

## Amendment (with title amendment)

4

3

Remove everything after the enacting clause and insert: Section 1. Paragraph (c) of subsection (3) of section

6

440.105, Florida Statutes, is amended to read:
440.105 Prohibited activities; reports; penalties;

7

9

440.105 Prohibited activities; reports; penalties; limitations.--

10

11

(3) Whoever violates any provision of this subsection commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

12

(c) It is unlawful for any attorney or other person, in his or her individual capacity or in his or her capacity as a

1314

public or private employee, or for any firm, corporation,

15

16

partnership, or association to receive any fee or other consideration or any gratuity from a person on account of

67749.

Approved For Filing: 3/25/2009 1:23:51 PM

Page 1 of 10

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

42

43 44 services rendered for a person in connection with any proceedings arising under this chapter, unless such fee, consideration, or gratuity is approved by a judge of compensation claims or by the Deputy Chief Judge of Compensation Claims.

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)

Notwithstanding s. 440.21(2), when a claimant is 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 shall not be subject to the provisions of s. 440.34(1), provided that any attorney's fees paid by a claimant 677495

Approved For Filing: 3/25/2009 1:23:51 PM Page 2 of 10

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

71

72

shall not exceed the amount of fees allowable, based upon the gross amount of the settlement, under the Supreme Court's guidelines governing contingency fee agreements. Unless the parties agree otherwise, 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 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 shall be responsible for the payment of his or her own attorney's fees, except that he or she shall be entitled to recover an attorney's fee payable by a carrier or employer:
- (a) Where the 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) Where the claimant successfully prevails in a proceeding filed under s. 440.24 or s. 440.28.

677495

Approved For Filing: 3/25/2009 1:23:51 PM Page 3 of 10

The attorney's fees a carrier or employer is obligated to pay under this subsection shall be equal to 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; provided, however, an attorney's fee payable under this subsection shall not be less than the fee paid by the employer or carrier to their attorneys to defend against the claim. Notwithstanding any other provision of law, the payment of attorney's fees pursuant to this subsection may not be recouped, directly or indirectly, by any carrier in the rate base, the premium, or any rate filing.

(2) Unless the parties agree, such attorney's fees as may be payable under subsection (1) shall be determined by A feer 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 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 lump-

Approved For Filing: 3/25/2009 1:23:51 PM Page 4 of 10

101

102

103

104

105

106

107

108

109

110111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

sum 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) (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. 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

Approved For Filing: 3/25/2009 1:23:51 PM

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 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.
- $\underline{(6)}$  (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 shall impair the right of a claimant to contract with an attorney for representation in connection with a claim under this chapter, except that an attorney 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 under this section.
- (7) If an attorney's fee is owed under paragraph (3)(a), the judge of compensation claims may approve an alternative 677495

Approved For Filing: 3/25/2009 1:23:51 PM Page 7 of 10

184

185

186

187

188

189

190

191

192

193194

195

196

197

198

199

200201

202

203

204

205

206

207

208

209

210

211

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. Paragraph (c) of subsection (2) of section 440.45, Florida Statutes, is amended to read:

440.45 Office of the Judges of Compensation Claims.--

Each judge of compensation claims shall be appointed (C) for a term of 4 years, but during the term of office may be removed by the Governor for cause. Prior to the expiration of a judge's term of office, the statewide nominating commission shall review the judge's conduct and determine whether the judge's performance is satisfactory. Effective July 1, 2002, in determining whether a judge's performance is satisfactory, the commission shall consider the extent to which the judge has met the requirements of this chapter, including, but not limited to, the requirements of ss. 440.25(1) and (4)(a)-(e),  $440.34(3)\frac{(2)}{(2)}$ , and 440.442. If the judge's performance is deemed satisfactory, the commission shall report its finding to the Governor no later than 6 months prior to the expiration of the judge's term of office. The Governor shall review the commission's report and may reappoint the judge for an additional 4-year term. If the Governor does not reappoint the judge, the Governor shall inform the commission. The judge shall remain in office until the

Approved For Filing: 3/25/2009 1:23:51 PM Page 8 of 10

Governor has appointed a successor judge in accordance with paragraphs (a) and (b). If a vacancy occurs during a judge's unexpired term, the statewide nominating commission does not find the judge's performance is satisfactory, or the Governor does not reappoint the judge, the Governor shall appoint a successor judge for a term of 4 years in accordance with paragraph (b).

Section 5. This act shall take effect upon becoming a law.

-----

## TITLE AMENDMENT

Remove the entire title and insert:

A bill to be entitled

An act relating to workers' compensation; amending s. 440.105, F.S.; decriminalizing receipt of an attorney's fee that has not been approved by a judge of compensation claims; amending s. 440.20, F.S.; requiring a judge of compensation claims to order 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 need not submit information or documentation to support the settlement, except to justify the amount of the attorney's fees; providing that attorney's fees related to a settlement or release of claims are not subject to certain

Approved For Filing: 3/25/2009 1:23:51 PM Page 9 of 10

240

241

242

243

244

245

246

247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

provisions of state law; authorizing parties to extend the payment time period for settlement payments upon agreement; requiring settlement payments to be made within a specified time after a judge determines the settlement amount allocated to satisfy a child support arrearage; amending s. 440.34, F.S.; providing circumstances where a claimant shall be entitled to recover attorney's fees payable by an employer or carrier; specifying an amount for attorney's fees in certain cases; requiring a judge of compensation claims to determine the amount of the attorney's fees in specified cases; deleting restrictions on the amounts of attorney's fee; deleting requirements relating to an offer of settlement; deleting circumstances allowing for attorney's fees to be paid by a carrier or employer; deleting the time period for the attachment of an attorney's fee; specifying that nothing in the chapter shall impair a claimant's right to contract for representation; restricting the recovery of attorney's fees by certain attorneys representing a claimant; deleting a provision allowing an alternative attorney's fee to be approved by a judge of compensation claims; amending s. 440.45, F.S.; correcting a cross-reference; providing an effective date.