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WORKERS' COMPENSATION MEDIATION

Senate Bill 762 as passed by the Senate
First Analysis (11-10-99)

Sponsor: Sen. Mike Rogers
**House Committee: Employment Relations,
Training and Safety**
**Senate Committee: Human Resources,
Labor, Senior Citizens and Veterans
Affairs**

THE APPARENT PROBLEM:

Some people believe that mediators should be allowed to decide worker's compensation cases involving relatively small amounts of money (\$5,000 or less), instead of the current requirement that worker's compensation magistrates decide all settlement cases. Legislation has been introduced to do this.

THE CONTENT OF THE BILL:

Currently, all redemption agreements under the Worker's Disability Compensation Act of 1969 must be approved by a worker's compensation magistrate.

The bill would amend the act to allow redemption agreements for \$5,000 or less to be approved by a mediator. (Redemption agreements over \$5,000 still would have to be approved only by a worker's compensation magistrate.) Legal counsel would not be required for either party in redemption cases heard by a mediator.

As is now the case with redemption agreements ordered by magistrates, any party to the action could request the director of the Bureau of Worker's Disability Compensation to review the mediator's order, and, unless a review were requested within the 15-day time limit (or ordered by the director), the order of a mediator (like that of a magistrate) would be final.

MCL 418.836 and 418.837

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill would have no fiscal impact on state or local government. (10-20-99)

ARGUMENTS:

For:

Currently, all worker's compensation settlements must be approved by a worker's compensation magistrate. The bill would provide for more expedient settlements for amounts of \$5,000 or less by allowing mediators to approve such settlements. Using mediators could be more time- and cost-efficient, and could free up magistrates for more complicated worker's compensation cases.

POSITIONS:

The Department of Consumer and Industry Services supports the bill. (11-10-99)

The Michigan Insurance Federation supports the bill. (11-10-99)

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.