

Factors In Determining the Settlement Value of a Workers' Compensation Claim in Pennsylvania

These are the issues to consider when determining the value of a potential lump sum

What are you giving up?

In Pennsylvania, there are 4 main benefits; wage loss, medical, specific loss and death benefits. Usually, a settlement involves releasing the insurance company from their obligation to pay all benefits. However, sometimes an injured worker may retain some benefits (typically medical) and that would reduce the value of the claim.

What did you earn before you were injured?

When you are injured the insurance company calculates your "Average Weekly Wage" (AWW). This is the single most important factor in valuing your claim. If it was miscalculated, it can reduce the value of the settlement. You should have an attorney evaluate whether it was done properly. If you have two injured workers with identical jobs and identical injuries but one earns more than the other, the one with the higher AWW has a higher valued settlement.

What is your benefit rate?

This is calculated based upon your AWW. As in Step 2 above, this can be miscalculated if the AWW is not accurate.

What is your earning potential?

This needs to be compared to your pre-injury AWW to determine the likelihood and amount of future benefits. The greater the disparity, the greater the value.

Do you have an attorney?

If you try to settle your claim without an attorney, the insurance company is likely to "low-ball" your claim. Only an attorney can properly evaluate your claim and maximize its value.