



## ADMINISTRATIVE RULES OF MONTANA

### 24.29.1203 METHODS THE DEPARTMENT WILL APPLY TO EVALUATE INFORMATION PROVIDED

- (1) The department shall deny a petition for a lump-sum conversion of permanent total disability unless the worker demonstrates that the worker's ability to become financially self-sustaining is more probable with a whole or partial lump-sum payment than with biweekly payments and the worker's other resources.
- (2) The department shall approve a petition for lump-sum conversion of permanent total disability benefits when:
  - (a) The worker demonstrates that the worker's financial condition under the lump-sum proposal will not be greater than could have reasonably been expected had the worker not been injured and the lump sum is limited to the unpaid biweekly benefits; and
  - (b) The worker demonstrates that the lump-sum proposal will improve the worker's financial condition over what could have been reasonably expected had the worker not been injured and the lump sum is limited to the purchase price to the insurer of an annuity that would yield an amount equal to the biweekly benefits payable over the estimated duration of the compensation period.
- (3) For claims with date of injury between April 15, 1985 and June 30, 1987, all requirements of (2) must be met and the proposed lump-sum amount of unpaid biweekly benefits may be discounted at a rate of 7% per year, compounded annually.
- (4) If the claimant does not meet the requirements of 39-71-710, MCA, and the estimated duration of the compensation period is the remaining life expectancy of the worker, the insurer shall determine the remaining life expectancy in accordance with the most recent Life Table: Expectation of Life at Single Years of Age, by Race and Sex: United States, all races, both sexes column, in Vital Statistics of the United States, Volume II-Mortality, Part A, U.S. Department of Health and Human Services, Public Health Service, National Center for Health Statistics.
- (5) If the difference between the present discounted value of a permanent total disability lump-sum payment and the future value of the biweekly payments is the only justification provided for the lump-sum conversion, the department shall deny the petition.
- (6) The department shall deny or approve a lump-sum petition within 14 days of receipt. If additional information is required to enable a determination on a petition, the department shall request the information within the 14-day review period. If additional information is not received within the 14-day review period, the department shall deny the petition on the basis of lack of information.

**Implementing statute(s):** 39-71-710, 39-71-741, MCA

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**History:** NEW, 1985 MAR p. 1564, Eff. 10/18/85; AMD, 1998 MAR p. 2872, Eff. 11/1/98; AMD, 2013 MAR p. 841, Eff. 5/24/13.