

Nevada
Workers' Compensation Law Blog
NEWS & UPDATES ON WORKERS' COMPENSATION LAWS & HELPFUL INFORMATION ON THE CLAIMS PROCESS

Lawsuit Loans on Nevada Workers' Comp Claims

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The January 16, 2011 on line edition of the [NY Times](#) reports on the unregulated business of loaning money to plaintiffs in personal injury lawsuits, often with devastating financial consequences for the injured borrower who ends up paying astronomical interest rates. Unlike injured workers with accepted workers compensation claims, plaintiffs with personal injury claims must wait until their claims settle or until the defendant is defeated in court before the plaintiff receives any compensation for lost wages or reimbursement for medical expenses.

Personal injury plaintiffs who are out of work due to an accident become desperate for money during the months and years it takes to obtain money on their claim or lawsuit. They turn to lawsuit lenders when they are unable to borrow from friends and family. These lawsuit lenders ordinarily do not advertise their prices, and they are largely unregulated by most states.

I am frequently asked by my clients, injured workers with work-related injuries or occupational diseases, whether I will sign my name as their attorney to an agreement between a lawsuit lender and the client. I will not do that for several reasons. First, those lenders I have spoken to have little or no understanding of when or how an injured worker may receive a lump sum settlement under

Nevada law. Secondly, Nevada law prohibits liens on workers' compensation settlements. The notable exception to that law is a judgment for a child support obligation. Additionally, it is the responsibility of the client alone to repay any loans he or she obtains. My job is to provide the best possible representation on the workers' compensation claim; not to become involved in loaning the client money.