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HOUSE BILL 2879

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State of Washington

61st Legislature

2010 Regular Session

By Representatives Ericksen, Ross, Rodne, Johnson, Klippert, Haler, Bailey, Roach, Nealey, Warnick, Angel, Short, Schmick, and Pearson

Read first time 01/15/10. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to creating real reform in industrial insurance  
2 through privatization and competition; creating new sections; and  
3 providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that most states use  
6 competition to maximize efficiency in their workers' compensation  
7 programs. Private sector competition in providing workers'  
8 compensation insurance has been effective in reducing premium costs,  
9 maximizing program efficiency, and creating innovative safety programs  
10 to protect all workers. Therefore, the purposes of this act are to:

11 (1) Create an efficient and cost-effective industrial insurance  
12 system for the benefit of both employers and workers by introducing  
13 competition into the system through a choice of insurance carriers from  
14 whom employers may purchase industrial insurance;

15 (2) Provide workers the benefits of safety systems developed by  
16 both private enterprise and by government;

17 (3) Improve the state's economic climate by providing the private  
18 sector with the opportunity to engage in the industrial insurance  
19 business with appropriate standards and oversight;

1 (4) Eliminate a government monopoly with respect to industrial  
2 insurance choices for small employers and provide private sector  
3 insurance choices for all employers; and

4 (5) By July 1, 2011, make Washington a state in which employers may  
5 self-insure or obtain private sector industrial insurance and eliminate  
6 Washington's state-run industrial insurance fund.

7 NEW SECTION. **Sec. 2.** (1) The joint legislative task force on  
8 industrial insurance privatization is established. The task force  
9 consists of the following sixteen members:

10 (a) The chair and ranking minority member of the senate labor,  
11 commerce, and consumer protection committee;

12 (b) The chair and ranking minority member of the house commerce and  
13 labor committee;

14 (c) One member from each major caucus of the house of  
15 representatives, appointed by the speaker of the house of  
16 representatives;

17 (d) One member from each major caucus of the senate, appointed by  
18 the president of the senate; and

19 (e) The following members, appointed jointly by the president of  
20 the senate and the speaker of the house of representatives:

21 (i) Five members representing business, selected from nominations  
22 submitted by statewide business organizations. At least one of the  
23 members must represent small business and at least one of the members  
24 must be a self-insured employer under Title 51 RCW;

25 (ii) Two members representing insurers, selected from nominations  
26 submitted by statewide insurance organizations; and

27 (iii) One member representing labor, selected from nominations  
28 submitted by statewide labor organizations.

29 (2) The task force shall develop proposed legislation to eliminate  
30 Washington's state-run industrial insurance fund by July 1, 2011. The  
31 task force must provide its recommendations to the legislature by  
32 December 1, 2010.

33 (3)(a) The task force shall use legislative facilities and staff  
34 from senate committee services and the office of program research and  
35 may hire additional staff with specific technical expertise if such  
36 expertise is necessary and funds are available for that purpose.

1           (b) The task force, when appropriate, may consult with individuals  
2 from the public and private sector or ask such persons to establish an  
3 advisory committee.

4           (c) The department of labor and industries and the office of the  
5 insurance commissioner shall cooperate with the task force and each  
6 provide a nonvoting liaison member to the task force.

7           (4) The chairs of the house commerce and labor committee and the  
8 senate labor, commerce, and consumer protection committee shall convene  
9 and chair the first meeting of the task force, at which time the  
10 members shall select a chair or cochairs from its membership.

11           (5) Each nonlegislative member of the task force is entitled to be  
12 reimbursed for travel expenses in accordance with RCW 43.03.050 and  
13 43.03.060. All expenses of the task force, including travel, shall be  
14 paid jointly by the senate and the house of representatives.

15           (6) This section expires June 30, 2011.

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