

# HOUSE BILL REPORT

## HB 1178

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**As Reported By House Committee On:**  
Commerce & Labor

**Title:** An act relating to exemptions from industrial insurance coverage for persons under age twenty-one employed on the family farm.

**Brief Description:** Exempting persons under age twenty-one employed on the family farm from industrial insurance coverage.

**Sponsors:** Representatives McMorris, Lisk, Mulliken, Chandler, L. Thomas, Thompson, Boldt, Mastin, Goldsmith, Stevens, Schoesler, Honeyford, Johnson, Koster, Mielke and Sheahan.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 1/25/95, 2/8/95 [DPS].

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

**Staff:** Chris Cordes (786-7117).

**Background:** The state industrial insurance law requires most employers to be self-insured or to purchase industrial insurance from the Department of Labor and Industries. This insurance provides benefits to workers who are injured at work or who develop an occupational disease. Employers who are exempt from this requirement may elect coverage for their workers by filing notice with the department.

The industrial insurance statute lists the employments that are excluded from mandatory coverage. These exemptions include the employment of a child under age 18 who is employed by his or her parents in agricultural activities on the family farm.

**Summary of Substitute Bill:** The exclusion from industrial insurance coverage of children under age 18 who are employed by their parents on the family farm is deleted. Instead, parents of a person under age 21 may elect to exclude their employment of that person from industrial insurance coverage if the person being excluded is employed by the parents in agricultural activities on their family farm and either resides with the parents or resides on their family farm. To elect exclusion from coverage, the parents must file a written notice with the Department of Labor and Industries. The parents may subsequently obtain coverage for the excluded person by filing a notice of election of coverage.

**Substitute Bill Compared to Original Bill:** The provisions are deleted that raised the age limit from age 18 to age 21 for mandatory exemption from industrial insurance for children working on family farms. Provisions are added that allow an exemption if the parents of a person under age 21 elects to exclude that person when working for the parents on their family farm and residing with the parents or residing on their family farm. To elect exclusion from coverage, the parents must file a written notice with the Department of Labor and Industries. The parents may subsequently obtain coverage for the excluded person by filing a notice of election of coverage.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill would ease the financial and administrative burden that is placed on farmers and their family members by government regulation. Families should be given the choice of whether to use industrial insurance or other forms of insurance for family members working on their farm. This will assist family farms to remain viable.

**Testimony Against:** This bill may have unintended consequences if it exempts not only a person who works for his or her parents on the family farm but also any person who is living at home and working on a family farm. In addition, this bill could subject family farms to increased tort liability. There is a need for families to be aware of the consequences of not being covered for work place injuries.

**Testified:** (In favor) Representative Cathy McMorris, prime sponsor; Kent Lebsack, Washington Cattlemen's Association; Dan Coyne, Washington State Dairy Federation; and Chris Cheney, Washington Grower's League. (Opposed) Robby Stern, Washington State Labor Council.