

SENATE BILL REPORT

SHB 1547

As Reported By Senate Committee On:
Financial Institutions & Housing, March 24, 1995

Title: An act relating to longshore and harbor workers' compensation act insurance.

Brief Description: Pertaining to longshore and harbor workers' compensation.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Dellwo, Kessler, Dickerson, Basich and Costa).

Brief History:

Committee Activity: Financial Institutions & Housing: 3/24/95 [DPA].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar, Smith and Sutherland.

Staff: David Cheal (786-7576)

Background: Federal law requires that employers of longshore and harbor workers obtain workers' compensation coverage for their employees. The federal act prescribes a different set of benefits, and the insurance is provided by private carriers. Longshore and harbor employees currently are not eligible for coverage under the Washington State Workers' Compensation Insurance Program.

The Legislature adopted a temporary insurance plan in 1992 to provide needed insurance for those employers unable to obtain coverage in the private market. This plan, called the Washington State United States Longshore and Harbor Workers Assigned Risk Plan, was extended in 1993 for two years. Currently, under the plan, all insurers writing longshore and harbor workers' compensation insurance and the state Department of Labor and Industries' workers' compensation fund participate in underwriting the losses for such coverage. Liability for plan losses in excess of premiums and reserves is split equally between private insurers writing longshore and harbor workers' compensation insurance and the state workers' compensation fund. Premiums are not paid to the state workers' compensation fund for this potential liability. The state workers' compensation fund is authorized to provide reinsurance of the longshore and harbor workers' plan.

An advisory committee was established in 1992 to report annually on the plan and study alternatives to the plan.

The program is scheduled to expire July, 1, 1995.

Summary of Amended Bill: The temporary Washington State United States Longshore and Harbor Workers Assigned Risk Plan is extended to July 1, 1997. The advisory committee is to report annually to the Legislature regarding the plan. The requirement that the advisory committee regularly report on feasible alternatives to the plan is removed.

Amended Bill Compared to Substitute Bill: The House bill extends the program by amending an uncodified section. The committee amendment extends the program with a new section and repeals the uncodified section.

Appropriation: None.

Fiscal Note: Requested on February 20, 1995.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The program is working well and no substitute method for providing this mandatory insurance has been found. The program must continue so the affected business can survive.

Testimony Against: None.

Testified: Rep. Les Thomas, prime sponsor; Don Hitchcock, L&H Program (pro); Jack Swanberg, Northwest Marine Trade Assn. (pro); Janet Benke, AWB (pro); Richard King, IBEW #46 (pro); Douglas Connell, L&I (pro); Rick Slunaker, Associated General Contractors (pro); Robert Dilger, Washington State Building Trades Council (pro); Dan Sexton, UA Plumbers (pro).