

SENATE BILL REPORT

SB 5395

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 14, 1995
Ways & Means, March 6, 1995

Title: An act relating to industrial insurance benefits.

Brief Description: Revising provisions related to industrial insurance benefits.

Sponsors: Senators Pelz, Fraser and Franklin; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/24/95, 2/14/95 [DPS].
Ways & Means: 3/6/95 [DPS (LAB)].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5395 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale and Palmer.

Staff: Jack Brummel (786-7428)

Background: Recipients of industrial insurance benefits are not barred from receiving benefits even if they deliberately intended to produce the injury or death giving rise to their benefits, or intended to commit a felony. Similarly, payments to incarcerated industrial insurance beneficiaries are not barred.

The \$2,000 allowance for burial expenses for a worker killed on the job has remained the same for the past 12 years.

Funds available for some on-the-job training contracts for industrial claims are limited to \$3,000 in each of two 52-week periods. The Department of Labor and Industries asserts that some contracts call for more than \$3,000 in a shorter time frame.

Monthly partial disability payments, which were increased 32 percent in 1993, are annually adjusted based on the Consumer Price Index, creating monthly permanent partial disability (PPD) payment schedules that continue for years.

Summary of Substitute Bill: Beneficiaries cannot receive payments of industrial insurance benefits if 1) they deliberately intended to cause the injury or death giving rise to their benefits, or 2) a beneficiary was engaged in the commission or the attempt to commit a felony, which results in the injury or death giving rise to their benefits, or 3) the beneficiary is incarcerated. Burial awards are increased to two times the state's average monthly wage and the "immediate payment" to a surviving dependent is set equal to the state's average

monthly wage. An injured worker may elect to provide benefits to a surviving child, children, or other dependents if the worker dies during a period of permanent disability. Monthly permanent partial disability (PPD) payments are to be paid based on the state's average monthly wage, or timeloss compensation, whichever is greater. The limitation on the expenditure of \$3,000 in any 52-week period no longer applies to vocational rehabilitation expenditures for workers in long-term disability pilot projects.

Substitute Bill Compared to Original Bill: The substitute bill has an emergency clause and ensures effect of nonpayment to beneficiaries' provisions regardless of date of injury or date of claim filing.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Current burial benefits are far short of true costs. The bill allows greater flexibility in vocational training under the long-term disability pilot project. The bill would prohibit a beneficiary from collecting if they cause harm or are incarcerated.

Testimony Against: None.

Testified: Mark Brown, Dept. of Labor and Industries (pro); Clif Finch, AWB (pro); Bill Hochberg, WA State Trial Lawyers Assn. (pro).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5395 as recommended by Committee on Labor, Commerce & Trade be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Fraser, Gaspard, Hochstatter, Johnson, Long, McDonald, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West, Winsley and Wojahn.

Staff: Tracy Cox (786-7437)

Testimony For: Current burial benefits are far short of true costs and have only been increased once in the last 25 years. The bill allows greater flexibility in vocational training under the long-term disability pilot project. The bill would prohibit a beneficiary from collecting if they cause harm or are incarcerated.

Testimony Against: None.

Testified: Mark Brown, Department of Labor and Industries.