

FINAL BILL REPORT

SB 5399

C 199 L 95
Synopsis as Enacted

Brief Description: Refining industrial insurance actions.

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

Senate Committee on Labor, Commerce & Trade

House Committee on Commerce & Labor

Background: Compensation paid or awarded by another jurisdiction is presently offset against amounts paid or awarded the claimant by Washington State. Other recoveries made to the claimant under another jurisdiction's workers' compensation laws are sometimes not considered to be compensation and cannot be offset against amounts paid or awarded the claimant by Washington.

Injured workers may seek recovery against third parties other than their employer for work-related injuries. If such recoveries are made, the Department of Labor and Industries may seek reimbursement of amounts recovered by injured workers. The state Supreme Court ruled last year that the department's right to reimbursement does not extend to amounts awarded for loss of consortium.

Current law requires that the Department of Labor and Industries make a retroactive adjustment to an employer's experience rating when a third party recovery was made on a claim which changed the rating.

The department believes that there are several technical changes to the workers' compensation statutes that would improve administration.

Summary: Any settlement proceeds from another jurisdiction are used to offset workers' compensation award payments to claimants in Washington. The Department of Labor and Industries no longer makes retroactive adjustments to an employer's experience rating when a third party recovery is made on claims previously used to calculate experience rating. Health services providers are allowed 60 days to appeal department orders that do not make demands for repayment of sums paid. Orders and notices to withhold and deliver can be served by certified mail, in addition to personal service. The term "recovery" does not include damages for loss of consortium.

Minor technical changes are made to clarify legislative intent with regard to third party settlements.

The award granted a beneficiary upon the death of a worker is changed from \$2,000 to twice the state average monthly wage.

Votes on Final Passage:

Senate	25	23	
House	96	0	(House amended)
Senate	40	2	(Senate concurred)

Effective: July 23, 1995