

# FINAL BILL REPORT

## SB 5668

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C 31 L 95

Synopsis as Enacted

**Brief Description:** Revising provisions relating to sureties for industrial insurance self-insurers.

**Sponsors:** Senators Hale, Wood, Fraser, Pelz, Prince, Newhouse, A. Anderson, Palmer, Franklin, Hargrove, Bauer, Deccio, C. Anderson, Prentice and Winsley.

**Senate Committee on Labor, Commerce & Trade**

**House Committee on Commerce & Labor**

**Background:** Self-insured employers are required to deposit money, corporate securities, bonds or letters of credit to an escrow account to insure payment of reasonably foreseeable compensation and assessments in case of the employer's default or bankruptcy.

Some bankrupt defaulting self-insurers have filed suit to obtain these sureties for the benefit of third-party creditors.

**Summary:** It is clarified that in the event of default, the self-insurer loses all right and title to, any interest in, and any right to control the surety. The Department of Labor and Industries retains the surety of a defaulting self-insurer.

**Votes on Final Passage:**

Senate	47	0
House	97	0

**Effective:** July 23, 1995