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HOUSE BILL 1275

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State of Washington                      54th Legislature                      1995 Regular Session

By Representatives McMorris, Morris, Kessler, Buck, Foreman and Basich

Read first time 01/19/95. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to extending existing employer workers'  
2 compensation group self-insurance; and adding a new section to chapter  
3 51.14 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 51.14 RCW  
6 to read as follows:

7            (1) Any two or more employers in the logging industry that are  
8 members of an organization that meets the following conditions:

9            (a) The organization has been in existence for at least five years;

10           (b) The organization was formed for a purpose other than that of  
11 obtaining workers' compensation coverage under this section; and

12           (c) The occupations of the employers within the organization are  
13 substantially similar and within the logging industry, taking into  
14 consideration the nature of the services being performed by workers of  
15 the employers,

16 may enter into agreements to form self-insurance groups for the  
17 purposes of this chapter if the formation and operation of the group  
18 self-insurance program will improve accident prevention and claim  
19 management for the employers in the group.

1 (2) A self-insurance group formed under this section shall organize  
2 and operate under rules adopted by the director under RCW 51.14.160.

3 (3) A self-insurance group under this chapter is an "employer" for  
4 the purposes of this chapter, except RCW 51.14.077, and may qualify as  
5 a self-insurer if it meets all the other requirements of this chapter.

6 (4)(a) The group self-insurers' insolvency trust account is created  
7 in the custody of the state treasurer. All receipts from the  
8 insolvency assessment under (b) of this subsection shall be deposited  
9 into the account. Expenditures from the account may be used only to  
10 provide for the unsecured benefits paid to the injured workers of group  
11 self-insured employers under this title for insolvent or defaulting  
12 groups of member employers and for the department's associated  
13 administrative costs, including attorneys' fees. Only the director or  
14 the director's designee may authorize expenditures from the account.  
15 The account is subject to allotment procedures under chapter 43.88 RCW,  
16 but no appropriation is required for expenditures.

17 (b) To fund the group self-insurers' insolvency trust account, the  
18 department shall levy an insolvency assessment on a postinsolvency  
19 basis and after the defaulting group's and individual member employers'  
20 security deposit assets and reinsurance, if any, have been exhausted.  
21 The department shall impose insolvency assessments on all group self-  
22 insurers except school districts and hospitals. The department shall  
23 adopt rules to set forth the manner of imposing and collecting  
24 assessments to ensure that group self-insured employers pay into the  
25 account in proportion to their claim costs. The department's rules  
26 must provide that self-insurance groups or member employers who have  
27 surrendered their certification are assessed for a period of a maximum  
28 of three calendar years following the termination date of their  
29 certification.

30 (c) The director shall adopt rules to carry out the purposes of  
31 this subsection, including but not limited to: Governing the formation  
32 of the group self-insurers' insolvency trust account for the purpose of  
33 this chapter; governing the organization and operation of the self-  
34 insurers' insolvency trust account to assure compliance with this  
35 chapter; requiring adequate accountability of the collection and  
36 disbursement of funds in the group self-insurers' insolvency trust  
37 account; and any other provisions necessary to carry out this chapter.

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