Z-1063.1 _____

SENATE BILL 6222

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State of Washington   **54th Legislature**   **1996 Regular Session**

By Senators Pelz, Deccio and Newhouse; by request of Department of Labor & Industries

Read first time 01/09/96. Referred to Committee on Labor, Commerce & Trade.

1   AN ACT Relating to self-insurance administrative procedures; and
2 amending RCW 51.14.090 and 51.32.190.

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

4   **Sec. 1.** RCW 51.14.090 and 1983 c 21 s 1 are each amended to read
5 as follows:
6   (1) Upon the petition of any employee or union or association
7 having a substantial number of employees in the employ of the self-
8 insurer the director ((shall)) or the director's designee may, in the
9 director or designee's sole discretion, hold a hearing to determine
10 whether or not there are grounds for the withdrawal of certification of
11 a self-insurer or for corrective action by the department.
12   (2) The director shall serve upon the self-insurer and upon any
13 employee or union or association having a substantial number of
14 employees in the employ of said self-insurer, personally or by
15 certified mail, a notice of intention to withdraw, or not to withdraw,
16 certification of the self-insurer, which notice shall describe the
17 nature and location or locations of the plants or operations involved;
18 and the specific nature of the reasons for the decision. Similar
19 notice shall be provided for decisions regarding corrective actions.

1 <u>The corrective action notice shall also include a directive to the</u>
2 <u>self-insurer specifying the program deficiencies to be eliminated.</u>
3   (3) If the decision is to withdraw certification, it shall include<u>:</u>
4 <u>The</u> period of time within which the ground or grounds therefor existed
5 or arose; ((~~a directive to the self-insurer specifying the manner in~~
6 ~~which the grounds may be eliminated;~~)) and the date, not less than
7 ((~~thirty~~)) <u>ninety</u> days after the self-insurer's receipt of the notice,
8 when the certification will be withdrawn ((~~in the absence of a~~
9 ~~satisfactory elimination of the grounds for withdrawal of the~~
10 ~~certificate~~)).
11   (4) An appeal of any action taken by the director under this
12 section may be taken by the self-insurer, or by any employee or union
13 or association having a substantial number of employees in the employ
14 of the self-insurer. Proceedings on the appeal shall be as prescribed
15 in this title. Appeal by a self-insurer of notice of intention to
16 withdraw certification or to take corrective action shall not act as a
17 stay of the withdrawal or corrective action, unless the board or court,
18 for good cause shown, orders otherwise.
19   <u>(5) The director may adopt rules to carry out the purposes of this</u>
20 <u>section.</u>

21   **Sec. 2.** RCW 51.32.190 and 1982 1st ex.s. c 20 s 3 are each amended
22 to read as follows:
23   (1) If the self-insurer denies a claim for compensation, written
24 notice of such denial, clearly informing the claimant of the reasons
25 therefor and that the director will rule on the matter shall be mailed
26 or given to the claimant and the director within thirty days after the
27 self-insurer has notice of the claim.
28   (2) Until such time as the department has entered an order in a
29 disputed case acceptance of compensation by the claimant shall not be
30 considered a binding determination of his or her rights under this
31 title. Likewise the payment of compensation shall not be considered a
32 binding determination of the obligations of the self-insurer as to
33 future compensation payments.
34   (3) Upon making the first payment of income benefits, ((~~and upon~~
35 ~~stopping or changing of such benefits except where a determination of~~
36 ~~the permanent disability has been made as elsewhere provided in this~~
37 ~~title,~~)) the self-insurer shall immediately notify the director in
38 accordance with a form to be prescribed by the director ((~~that the~~

1 ~~payment of income benefits has begun or has been stopped or changed))~~.
2 Upon request of the department on a form prescribed by the department,
3 the self-insurer shall submit a record of the payment of income
4 benefits including initial, termination or terminations, and change or
5 changes to the benefits. Where temporary disability compensation is
6 payable, the first payment thereof shall be made within fourteen days
7 after notice of claim and shall continue at regular semimonthly or
8 biweekly intervals.

9   (4) If, after the payment of compensation without an award, the
10 self-insurer elects to controvert the right to compensation, the
11 payment of compensation shall not be considered a binding determination
12 of the obligations of the self-insurer as to future compensation
13 payments. The acceptance of compensation by the worker or his or her
14 beneficiaries shall not be considered a binding determination of their
15 rights under this title.

16   (5) The director: (a) May, upon his or her own initiative at any
17 time in a case in which payments are being made without an award((,))_;
18 and (b) shall, upon receipt of information from any person claiming to
19 be entitled to compensation, from the self-insurer, or otherwise that
20 the right to compensation is controverted, or that payment of
21 compensation has been opposed, stopped or changed, whether or not claim
22 has been filed, promptly make such inquiry as circumstances require,
23 cause such medical examinations to be made, hold such hearings, require
24 the submission of further information, make such orders, decisions or
25 awards, and take such further action as he or she considers will
26 properly determine the matter and protect the rights of all parties.

27   (6) The director, upon his or her own initiative, may make such
28 inquiry as circumstances require or is necessary to protect the rights
29 of all the parties and he or she may enact rules and regulations
30 providing for procedures to ensure fair and prompt handling by self-
31 insurers of the claims of workers and beneficiaries.

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