

2 SHB 2705 - S COMM AMD
3 By Committee on Commerce & Labor

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 51.14 RCW
8 to read as follows:

9 (1) Any two or more employers in the logging industry may enter
10 into agreements to form self-insurance groups for the purposes of this
11 chapter if:

12 (a) The employers are members of an organization that meets the
13 following conditions:

14 (i) The organization has been in existence for at least five years;

15 (ii) The organization was formed for a purpose other than that of
16 obtaining workers' compensation coverage under this section;

17 (iii) The occupations of the employers within the organization are
18 substantially similar and within the logging industry, taking into
19 consideration the nature of the services being performed by employees
20 of the employers;

21 (iv) The organization permits any employer assigned a risk
22 classification within the logging industry, as determined by the
23 director, to join the organization for the purpose of self-insuring, if
24 the employer meets the membership requirements and follows the rules
25 established for the self-insurance group; and

26 (v) The organization permits any of its members who are employers
27 assigned a risk classification within the logging industry, as
28 determined by the director, to join the self-insurance group; and

29 (b) The formation and operation of the group self-insurance program
30 will improve accident prevention and claim management for the employers
31 in the group.

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

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

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

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

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

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4 On page 1, line 2 of the title, after "industry;" strike the
5 remainder of the title and insert "and adding a new section to chapter
6 51.14 RCW."

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