

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1524

Chapter 394, Laws of 1999

56th Legislature
1999 Regular Session

WORKERS' COMPENSATION--OUT OF STATE EMPLOYERS

EFFECTIVE DATE: 7/25/99

Passed by the House April 19, 1999
Yeas 97 Nays 0

CLYDE BALLARD
Speaker of the House of Representatives

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate April 6, 1999
Yeas 44 Nays 0

BRAD OWEN
President of the Senate

Approved May 18, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1524** as passed by the House of Representatives and the Senate on the dates hereon set forth.

DEAN R. FOSTER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 18, 1999 - 3:26 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 1524

AS AMENDED BY THE SENATE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Representatives Doumit, Pennington, Conway, Clements, Alexander, Cooper, Hatfield, Mielke, Carlson, Poulsen, Mulliken, Scott and Rockefeller

Read first time 01/27/1999. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the workers' compensation obligation of
2 employers not domiciled in Washington; and amending RCW 51.12.120.

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

4 **Sec. 1.** RCW 51.12.120 and 1998 c 279 s 2 are each amended to read
5 as follows:

6 (1) If a worker, while working outside the territorial limits of
7 this state, suffers an injury on account of which he or she, or his or
8 her beneficiaries, would have been entitled to compensation under this
9 title had the injury occurred within this state, the worker, or his or
10 her beneficiaries, shall be entitled to compensation under this title
11 if at the time of the injury:

12 (a) His or her employment is principally localized in this state;
13 or

14 (b) He or she is working under a contract of hire made in this
15 state for employment not principally localized in any state; or

16 (c) He or she is working under a contract of hire made in this
17 state for employment principally localized in another state whose
18 workers' compensation law is not applicable to his or her employer; or

1 (d) He or she is working under a contract of hire made in this
2 state for employment outside the United States and Canada.

3 (2) The payment or award of compensation or other recoveries,
4 including settlement proceeds, under the workers' compensation law of
5 another state, territory, province, or foreign nation to a worker or
6 his or her beneficiaries otherwise entitled on account of such injury
7 to compensation under this title shall not be a bar to a claim for
8 compensation under this title if that claim under this title is timely
9 filed. If compensation is paid or awarded under this title, the total
10 amount of compensation or other recoveries, including settlement
11 proceeds, paid or awarded the worker or beneficiary under such other
12 workers' compensation law shall be credited against the compensation
13 due the worker or beneficiary under this title.

14 (3)(a) An employer not domiciled in this state who is employing
15 workers in this state in work for which the employer must be registered
16 under chapter 18.27 RCW or licensed under chapter 19.28 RCW, or
17 prequalified under RCW 47.28.070, must secure the payment of
18 compensation under this title by:

19 (i) Insuring the employer's workers' compensation obligation under
20 this title with the department;

21 (ii) Being qualified as a self-insurer under this title; or

22 (iii) For employers domiciled in a state or province of Canada
23 subject to an agreement entered into under subsection (7) of this
24 section, as permitted by the agreement, filing with the department a
25 certificate of coverage issued by the agency that administers the
26 workers' compensation law in the employer's state or province of
27 domicile certifying that the employer has secured the payment of
28 compensation under the other state's or province's workers'
29 compensation law.

30 (b) The department shall adopt rules to implement this subsection.

31 (4) If a worker or beneficiary is entitled to compensation under
32 this title by reason of an injury sustained in this state while in the
33 employ of an employer who is domiciled in another state or province of
34 Canada and the employer:

35 (a) Is not subject to subsection (3) of this section and has
36 neither opened an account with the department nor qualified as a self-
37 insurer under this title, the employer or his or her insurance carrier
38 shall file with the director a certificate issued by the agency that
39 administers the workers' compensation law in the state of the

1 employer's domicile, certifying that the employer has secured the
2 payment of compensation under the workers' compensation law of the
3 other state and that with respect to the injury the worker or
4 beneficiary is entitled to the benefits provided under the other
5 state's law.

6 (b) Has filed a certificate under subsection (3)(a)(iii) of this
7 section or (a) of this subsection (4):

8 (i) The filing of the certificate constitutes appointment by the
9 employer or his or her insurance carrier of the director as its agent
10 for acceptance of the service of process in any proceeding brought by
11 any claimant to enforce rights under this title;

12 (ii) The director shall send to such employer or his or her
13 insurance carrier, by registered or certified mail to the address shown
14 on such certificate, a true copy of any notice of claim or other
15 process served on the director by the claimant in any proceeding
16 brought to enforce rights under this title;

17 (iii) If the employer is a self-insurer under the workers'
18 compensation law of the other state or province of Canada, the employer
19 shall, upon submission of evidence or security, satisfactory to the
20 director, of his or her ability to meet his or her liability to the
21 claimant under this title, be deemed to be a qualified self-insurer
22 under this title; and

23 (iv) If the employer's liability under the workers' compensation
24 law of the other state or province of Canada is insured:

25 (A) The employer's carrier, as to such claimant only, shall be
26 deemed to be subject to this title. However, unless the insurer's
27 contract with the employer requires the insurer to pay an amount
28 equivalent to the compensation benefits provided by this title, the
29 insurer's liability for compensation shall not exceed the insurer's
30 liability under the workers' compensation law of the other state or
31 province; and

32 (B) If the total amount for which the employer's insurer is liable
33 under (b)(iv)(A) of this subsection is less than the total of the
34 compensation to which the claimant is entitled under this title, the
35 director may require the employer to file security satisfactory to the
36 director to secure the payment of compensation under this title.

37 (c) If subject to subsection (3) of this section, has not complied
38 with subsection (3) of this section or, if not subject to subsection
39 (3) of this section, has neither qualified as a self-insurer nor

1 secured insurance coverage under the workers' compensation law of
2 another state or province of Canada, the claimant shall be paid
3 compensation by the department and the employer shall have the same
4 rights and obligations, and is subject to the same penalties, as other
5 employers subject to this title.

6 (5) As used in this section:

7 (a) A person's employment is principally localized in this or
8 another state when: (i) His or her employer has a place of business in
9 this or the other state and he or she regularly works at or from the
10 place of business; or (ii) if (a)(i) of this subsection is not
11 applicable, he or she is domiciled in and spends a substantial part of
12 his or her working time in the service of his or her employer in this
13 or the other state;

14 (b) "Workers' compensation law" includes "occupational disease law"
15 for the purposes of this section.

16 (6) A worker whose duties require him or her to travel regularly in
17 the service of his or her employer in this and one or more other states
18 may agree in writing with his or her employer that his or her
19 employment is principally localized in this or another state, and,
20 unless the other state refuses jurisdiction, the agreement shall govern
21 as to any injury occurring after the effective date of the agreement.

22 (7) The director is authorized to enter into agreements with the
23 appropriate agencies of other states and provinces of Canada that
24 administer their workers' compensation law with respect to conflicts of
25 jurisdiction and the assumption of jurisdiction in cases where the
26 contract of employment arises in one state or province and the injury
27 occurs in another. If the other state's or province's law requires
28 Washington employers to secure the payment of compensation under the
29 other state's or province's workers' compensation laws for work (~~that~~
30 ~~in Washington requires the employer to be registered under chapter~~
31 ~~18.27 RCW or licensed under chapter 19.28 RCW, or prequalified under~~
32 ~~RCW 47.28.070~~)) performed in that state or province, then employers
33 domiciled in that state or province must purchase compensation covering
34 their workers engaged in that work in this state under this state's
35 industrial insurance law. When an agreement under this subsection has
36 been executed and adopted as a rule of the department under chapter
37 34.05 RCW, it binds all employers and workers subject to this title and
38 the jurisdiction of this title is governed by this rule.

Passed the House April 19, 1999.
Passed the Senate April 6, 1999.
Approved by the Governor May 18, 1999.
Filed in Office of Secretary of State May 18, 1999.