

HOUSE BILL REPORT

SSB 6014

As Passed House - Amended:

April 11, 2005

Title: An act relating to industrial insurance claims made due to disaster response.

Brief Description: Concerning industrial insurance claims made due to disaster response.

Sponsors: By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kline, Parlette, Kohl-Welles and Keiser).

Brief History:

Committee Activity:

Commerce & Labor: 3/23/05, 3/28/05 [DPA].

Floor Activity:

Passed House - Amended: 4/11/05, 96-0.

Brief Summary of Substitute Bill (As Amended by House)

- Specifies that the costs of industrial insurance benefits paid to non-government workers injured while assisting in the life and rescue phase of emergencies are: (1) reimbursed from the Disaster Response Account to the appropriate state workers' compensation fund or self-insured employer; and (2) not charged to state fund employers' experience records.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Sump, Assistant Ranking Minority Member; Hudgins and McCoy.

Staff: Jill Reinmuth (786-7134).

Background:

The Industrial Insurance Act provides that workers and their dependents are entitled to compensation for injuries, occupational diseases, and deaths occurring in the course of employment. Compensation is paid from the state workers' compensation funds or by self-insured employers. Rates of compensation are calculated in accordance with the Industrial Insurance Act. Workers and their dependents are barred from suing their employers for such injuries, occupational diseases, and deaths.

The Washington Emergency Management Act provides that emergency workers and their dependents are also entitled to compensation for injuries (including occupational diseases) and deaths arising out of and occurring in the course of their activities as emergency workers. Compensation must be paid from money appropriated for emergency management purposes. Rates of compensation under the Emergency Management Act are calculated in the same manner as rates of compensation under the Industrial Insurance Act. Emergency workers and their dependents are barred from suing the state, the agency, the local emergency management organization, and the county or city, for such injuries and deaths. "Emergency workers" are persons registered with a local emergency management organization or the state Military Department for the purpose of engaging in authorized emergency management activities, as well as state or local government employees called upon to perform emergency management activities.

The Disaster Response Account is a dedicated account in the state treasury. Money may be placed in the account from legislative appropriations and transfers, federal appropriations, and other lawful sources. Money in the account may be appropriated for the support of state agency and local government disaster response and recovery efforts. For example, in the 2003-05 biennium, money was appropriated to the state Military Department to develop and implement a disaster management grant system and to the Department of Natural Resources for emergency fire suppression.

Summary of Amended Bill:

The costs of industrial insurance benefits paid in particular circumstances are reimbursed from the Disaster Response Account to the appropriate state workers' compensation fund or self-insured employer. The costs also are not charged to state fund employers' experience records, which are used to determine their industrial insurance premium rates.

The circumstances in which costs are reimbursed are as follows:

- the worker is a non-government worker;
- the worker is injured or develops an occupational disease while assisting in the life and rescue phase of an emergency; and
- the assistance is provided in response to a request from a state or local government entity, including fire service or law enforcement.

The "life and rescue phase" is defined as the first 72 hours after a natural or man-made disaster in which a state or municipal entity, including fire service or law enforcement, acknowledges or declares such a disaster and requests assistance from the private sector in locating and rescuing survivors. The state or municipal entity may extend the life and rescue phase for a finite time period. The Department of Labor and Industries may adopt rules related to reimbursement and non-changing of benefits paid to non-government workers injured while assisting in the life and rescue phase of emergencies.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: (In support) The FIRST Committee met to address a number of issues, including the employer community's concerns about what happens if workers are injured while helping respond to incidents like September 11.

This bill addresses those concerns. It ensures that experience ratings are not affected. It includes important safeguards, such as making sure that costs are not socialized and that the help is provided in response to a request. It addresses any reservations employers might have about doing the right thing in emergencies.

There are related concerns that need to be addressed in the future, such as third party liability.

(Neutral) This bill addresses the impacts on the state fund and self-insurers when workers are called on to help out in a disaster. It is limited to the life and rescue phase. Benefits are not impacted.

Testimony Against: None.

Persons Testifying: (In support) Bob Abbott, Washington and Northern Idaho District Council of Laborers; and Rick Slunaker, Associated General Contractors.

(Neutral) Vickie Kennedy, Department of Labor and Industries.

Persons Signed In To Testify But Not Testifying: None.