

HOUSE BILL REPORT

HB 1543

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to longshore and harbor workers' compensation act insurance.

Brief Description: Insuring longshore and harbor workers.

Sponsors: Representatives Zellinsky, Mielke, Tate, Dellwo, Scott, Sommers, G. Cole, R. Johnson, Dyer, R. Meyers, Jones and Basich.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 8, 1993, DP.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 15 members: Representatives Zellinsky, Chair; Mielke, Ranking Minority Member; Dyer, Assistant Ranking Minority Member; Anderson; Dellwo; Dorn; Grant; R. Johnson; Kessler; Kremen; Lemmon; R. Meyers; Reams; Schmidt; and Tate.

Staff: John Conniff (786-7119).

Background: Federal law requires the employers of longshore and harbor workers to obtain workers' compensation coverage for their employees and maritime employers' liability coverage. Longshore and harbor employees currently are not eligible for coverage under the Washington state workers' compensation insurance program.

In Washington, some employers and employees subject to the federal requirement are unable to obtain insurance through private insurance companies or are unable to self-insure. As a result, the Legislature adopted an insurance plan to provide needed insurance for those employers unable to obtain coverage in the private market. Under the plan, all insurers writing primary and excess workers' compensation insurance and the state Department of Labor and Industries' workers' compensation fund participate in underwriting the losses for such coverage in proportion to each entity's share of the workers' compensation market.

The program is scheduled to expire July, 1, 1993.

Summary of Bill: Operation of the state longshore and harbor workers' insurance plan is extended until July 1, 1996.

The plan is amended to exclude the participation of state's excess workers' compensation insurers. Liability for plan losses is split equally between private insurers writing longshore and harbor workers' compensation insurance and the state workers' compensation fund. The state workers' compensation fund is authorized to provide reinsurance of the longshore and harbor workers' plan.

Fiscal Note: Requested February 8, 1993.

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

Testimony For: The state longshore and harbor workers' compensation plan has been successful in providing needed liability insurance. We recommend continuing the program while continuing to explore alternative solutions.

Testimony Against: None.

Witnesses: Ruth Nelson, United Marine Shipbuilding, Inc. (Pro); Bob Dilger, Building Trades (Pro); Ginnie Clark, Clark Maritime (Pro); and Gordon Baxter, Puget Sound Metal Trades Council (Pro).