

HOUSE BILL REPORT

HB 1451

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to expansion of employer workers' compensation group self-insurance.

Brief Description: Expanding employer workers' compensation group self-insurance.

Sponsors: Representatives Mielke, Lisk, McMorris, Sheldon, Mastin, Horn, Thompson, Hargrove, Sherstad and Basich.

Brief History:

Committee Activity:

Commerce & Labor: 2/2/95, 2/6/95, 2/9/95 [DPS].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Cairnes; Fuhrman and Goldsmith.

Minority Report: Do not pass. Signed by 4 members: Representatives Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cody and Cole.

Staff: Chris Cordes (786-7117).

Background: Employers covered by the industrial insurance law must insure their responsibilities under the law by self-insuring or by purchasing insurance from the Department of Labor and Industries. Although a single employer with sufficient financial ability is permitted to self-insure, a group of employers is not permitted to self-insure as a group unless the employers are school districts and educational service districts, or hospitals. Hospital group self-insurance is limited to one group for public hospitals and one group for other hospitals.

Group self-insurers operate under rules adopted by the department that address requirements for formation of and membership in the group, responsibilities of the group's trust fund trustees, and the amount of reserves that must be maintained to assure financial solvency of the group.

Summary of Substitute Bill:

Certification of a self-insurance group

A nonprofit group of five or more employers who are engaged in the same or similar type of business may submit an application to the director of the Department of Labor and Industries for approval as a workers' compensation self-insurance group.

Application may also be made by local government entities that exist as a jointly self-insured group under other statutes. A group approved by the director is obligated to pay all industrial insurance benefits for which its members become liable during the period of membership. The group is subject to all requirements for self-insurers, except those requirements governing approval and operation of the group, procedures on default, and participation in the insolvency trust fund.

Nonpublic hospitals may choose to group self-insure under these new provisions or under the existing group self-insurance authority.

To obtain and maintain a certificate of approval as a self-insurance group, the group must have: