(SUBSTITUTED FOR - SEE 1ST SUB)

Creates the office of the ombudsman for workers of industrial insurance self-insured employers.

Requires that any ombudsman authorized by chapter 51.14 RCW shall have training or experience, or both, in the following areas: (1) Industrial insurance including self-insurance programs;

- (2) The legal system;
- (3) Dispute or problem resolution techniques, including investigation, mediation, and negotiation.

Declares that the ombudsman program shall have the following powers and duties: (1) To act as an advocate for injured workers of self-insured employers;

- (2) To offer and provide information on industrial insurance as appropriate to workers of self-insured employers;
- (3) To identify, investigate, and facilitate resolution of industrial insurance complaints from workers of self-insured employers;
- (4) To maintain a statewide toll-free telephone number for the receipt of complaints and inquiries; and
- (5) To refer complaints to the department when appropriate.

Requires that to provide start-up funding for the ombudsman's office, the department shall impose a one-time assessment on all self-insurers. The amount of the assessment shall be determined by the department and shall not exceed the amount needed to pay the start-up costs.

Provides that ongoing funding for the office shall be obtained as part of an annual administrative assessment of self-insurers under RCW 51.44.150. This assessment shall be proportionately based on the number of claims for each self-insurer during the past year.

Directs the ombudsman to provide the governor with an annual report that includes the following: (1) A description of the issues addressed during the past year and a very brief description of case scenarios in a form that does not compromise confidentiality;

- (2) An accounting of the monitoring activities by the ombudsman; and
- (3) An identification of the deficiencies in the industrial insurance system related to self-insurers, if any, and recommendations for remedial action in policy or practice.

Provides that the first annual report shall be due on or before October 1, 2007. Subsequent reports shall be due on or before October 1st.