

HOUSE BILL REPORT

SB 5345

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to self-insured employers.

Brief Description: Allowing self-insured employers to close disability claims after July 1990.

Sponsor(s): Senators Matson, Owen, Anderson, Gaspard, McCaslin, Stratton, Newhouse, Moore, Oke and Murray.

Brief History:

Reported by House Committee on:
Commerce & Labor, April 5, 1991, DPA.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass as amended.* Signed by 10 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; and Wilson.

Staff: Chris Cordes (786-7117).

Background: Until 1986, self-insured employers were authorized to close the industrial insurance claims of their workers if the claim involved only medical treatment. Claims with other types of compensation were closed by the Department of Labor and Industries.

Between 1986 and 1990, self-insured employers were authorized to close industrial insurance claims if either medical treatment payments or time-loss payments were made on the claim. The self-insurer could not close the claim if it involved permanent disabilities or raised disputes that required intervention by the department. In addition, the injured worker was required to have returned to work with the employer. The authority to close these claims expired July 1, 1990.

Summary of Amended Bill: Self-insured employers' authority to close industrial insurance claims with time-loss compensation, where no dispute was raised on the claim and

the injured worker has returned to work with the employer, is reinstated and made permanent.

Amended Bill Compared to Original Bill: The amendment deletes the second reference to the claim closure program's sunset date.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The self-insured employers have exercised this authority for several years without any problems. The study performed by the Department of Labor and Industries showed that the great majority of closures under this program were accurate and thorough. Giving this authority to the self-insurer relieves the department of some workload.

Testimony Against: It is not clear what the cost is to workers when self-insurers have expanded authority over the claims. The claims closure program will require workers to go through one more layer of appeal procedures before they can correct any problems arising out of the claim closure.

Witnesses: (In favor): Gary Atwood, U.S. West Communications; and June Bandy, Seattle Public Schools.
(Opposed): Dennis Martin, Washington State Trial Lawyers Association.