

SENATE BILL REPORT

SHB 2720

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 24, 1992

Brief Description: Studying longshore and harbor workers' insurance needs.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives R. Meyers, Paris, Anderson, Hargrove, Miller, H. Sommers, Winsley, Jones, Basich, J. Kohl, Belcher and Orr)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; McMullen, Moore, Murray, and Skratek.

Staff: Dave Cheal (786-7576)

Hearing Dates: February 24, 1992

BACKGROUND:

Federal law requires the employers of longshore and harbor workers to obtain federal workers' compensation and maritime employers' liability coverage for their employees.

In Washington, some employers subject to the federal requirement will apparently be unable to obtain insurance through private insurance companies after July 1, 1992, and are unable to self-insure.

SUMMARY:

The Insurance Commissioner must study methods of establishing a reasonable plan to provide workers' compensation coverage as required by the federal Longshoreman's and Harbor Workers Compensation Act and must report the findings to the Legislature by January 1, 1993.

Appropriation: none

Revenue: none

Fiscal Note: none requested

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

SUMMARY OF PROPOSED SENATE AMENDMENTS:

Legislative intent is declared to be the preservation of maritime jobs and businesses.

The exclusion of workers' compensation insurance from the provisions of the Washington Insurance Guarantee Association Act is limited to that industrial insurance issued by the state fund. Other workers' compensation insurance, such as that issued by private carriers for Longshoremen and Harbor Workers' Act coverage is brought within the provisions of the guarantee act for orders of liquidation issued on or after July 1, 1992.

The Insurance Commissioner is given the authority to develop a plan to insure employers' obligations under the Longshoremen and Harbor Workers' Act and maritime employers' liability coverage when those employers are unable to obtain coverage in the private market. The plan requires the participation of all insurers who are authorized to write primary and excess workers' compensation insurance or reinsurance, specifically including the Washington State fund. Participation must be in amounts proportional to the premiums written by each of these entities.

The commissioner is required to appoint an advisory committee by April 15, 1992, consisting of the commissioner, the Director of the Department of Labor and Industries, and representatives of insurers writing primary or excess workers' compensation insurance, organized labor and maritime employers. The advisory committee is given the task of proposing long-term solutions to the longshoremen and harbor workers' insurance availability/affordability problem, and reporting to the Legislature by January 1, 1993.

The plan to be established by the commissioner terminates on July 1, 1993.

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one