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ENGROSSED SENATE BILL 6322

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State of Washington                      52nd Legislature                      1992 Regular Session

By Senators Vognild, Owen and Moore

Read first time 01/24/92. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to Longshore and Harbor Workers' Compensation Act  
2 insurance; amending RCW 48.32.020; adding new sections to chapter 48.22  
3 RCW; creating a new section; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.**            The legislature finds and declares that  
6 the continued existence of a strong and health maritime industry in  
7 this state is threatened by the unavailability and excessive cost of  
8 workers' compensation coverage required by the United States  
9 Longshoreman's and Harbor Worker's Compensation Act. The legislature,  
10 therefore, acting under its authority to protect industry and  
11 employment in this state hereby establishes a commission to devise and  
12 implement both a near and long term solution to this problem, for the  
13 purpose of maintaining employment for Washington workers and a vigorous  
14 maritime industry.

1       **Sec. 2.** RCW 48.32.020 and 1987 c 185 s 29 are each amended to read  
2 as follows:

3       This chapter shall apply to all kinds of direct insurance, except  
4 life, title, surety, disability, credit, mortgage guaranty, workers'  
5 compensation included in the state of Washington industrial insurance  
6 fund defined in RCW 51.08.175, and ocean marine insurance. However,  
7 this chapter applies to workers' compensation insurance only if the  
8 applicable order of liquidation is adjudicated on or after July 1,  
9 1992.

10       NEW SECTION. **Sec. 3.** A new section is added to chapter 48.22 RCW  
11 to read as follows:

12       Before July 1, 1992, the commissioner shall adopt rules  
13 establishing a reasonable plan to insure that workers' compensation  
14 coverage as required by the United States Longshoreman's and Harbor  
15 Worker's Compensation Act, 33 U.S.C. Secs. 901 through 950, and  
16 maritime employer's liability coverage incidental to the workers'  
17 compensation coverage is available to those unable to purchase it  
18 through the normal insurance market. This plan shall require the  
19 participation of all authorized insurers writing primary and excess  
20 workers' compensation insurance or reinsurance and the Washington state  
21 industrial insurance fund as defined in RCW 51.08.175 in amounts  
22 proportional to the premiums written by each of these entities. The  
23 Washington state industrial insurance fund is authorized to participate  
24 in the plan and to make payments in support of the plan in accordance  
25 with rules adopted by the commissioner pursuant to this section. The  
26 rules shall require that the plan use generally accepted actuarial  
27 principles for rate making. An applicant for such insurance, a person  
28 insured under the plan, an insurer, or the Washington state industrial  
29 insurance fund affected by a ruling or decision of the manager or

1 committee designated to operate the plan may appeal to the commissioner  
2 for resolution of a dispute.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.22 RCW  
4 to read as follows:

5 Before April 15, 1992, the commissioner shall appoint a committee  
6 to provide assistance in drafting the rules required by section 3 of  
7 this act. After July 1, 1992, the committee shall assist the  
8 commissioner in overseeing the operation of the plan. The committee  
9 shall consist of at least eight members. The commissioner and the  
10 director of the department of labor and industries shall be members.  
11 The remaining members shall be selected to insure equal representation  
12 of authorized insurers writing primary or excess workers compensation  
13 insurance, insurance producers, organized labor, and maritime  
14 employers.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.22 RCW  
16 to read as follows:

17 The committee appointed pursuant to section 4 of this act shall  
18 submit a report to the legislature no later than January 1, 1993, that  
19 examines all aspects of the United States Longshoreman's and Harbors  
20 Worker's Act (22 U.S.C. Secs. 901 through 950) coverage, and incidental  
21 maritime liability coverage, as it applies to Washington workers and  
22 employers. This study shall include but not be limited to the ability  
23 of private insurers to provide affordable coverage to eligible  
24 employers; whether the Washington state industrial insurance fund  
25 should participate in the plan adopted pursuant to section 3 of this  
26 act; whether there are methods that will satisfy the intent of this act  
27 that will not involve the Washington state industrial insurance fund;

1 and the feasibility of requiring that this coverage be made directly  
2 available through the Washington state industrial insurance fund.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 48.22 RCW  
4 to read as follows:

5 The plan adopted pursuant to section 3 of this act shall terminate  
6 on July 1, 1993.

7 NEW SECTION. **Sec. 7.** Sections 3 and 4 of this act are  
8 necessary for the immediate preservation of the public peace, health,  
9 or safety, or support of the state government and its existing public  
10 institutions, and shall take effect immediately.