
SENATE BILL 6179

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By Senators Braun, Benton, Becker, Sheldon, Baumgartner, Brown, Schoesler, Rivers, Honeyford, Tom, Hewitt, and Parlette

Read first time 01/16/14. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to workers' compensation group self-insurance
2 plans; and adding new sections to chapter 51.14 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.14 RCW
5 to read as follows:

6 (1) Any group of employers who are substantially similar,
7 considering the services or activities performed by the employees of
8 those employers, may adopt a plan for self-insurance, as a group, for
9 the payment of all compensation due under this title. Under a group
10 self-insurance plan, the group shall assume the liability of all the
11 member employers within the group and pay all benefits and all
12 assessments for which the member employers are liable under this title.
13 Each member employer of the group shall be responsible, jointly and
14 severally, for all liabilities of the group self-insurer under this
15 title incurred during its respective period of membership. A self-
16 insurance group is an employer for the purposes of this chapter, and
17 may qualify as a self-insurer if it meets all the other requirements of
18 this chapter.

1 (2) A member employer's participation in a group self-insurer
2 program does not relieve it of its liability for compensation
3 prescribed by this title except by the payment thereof by the group
4 self-insurer or by itself.

5 (3) Notice or knowledge of an industrial injury on the part of a
6 member is notice or knowledge on the part of the group self-insurer.
7 The group self-insurer is in all things bound by and subject to the
8 orders, findings, decisions, or awards rendered against the
9 participating member for the payment of compensation under this title.

10 (4) A group self-insurer may secure the services of a group
11 administrator to be responsible for assisting the group self-insurer in
12 complying with this title.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.14 RCW
14 to read as follows:

15 (1) A group of employers seeking to qualify as a group self-insurer
16 must apply for certification as such to the director pursuant to RCW
17 51.14.020.

18 (2) Each member of the group self-insurer must also file a copy of
19 a properly executed participation indemnity agreement that must jointly
20 and severally bind the group and every member employer to meet the
21 workers' compensation obligations of each member. The indemnity
22 agreement must be in the form prescribed by the director and must
23 include minimum uniform substantive provisions as prescribed by the
24 director. Subject to the director's approval, a group may add other
25 provisions necessary because of that group's particular circumstances.

26 (3) The director may require copies of any and all agreements,
27 contracts, and other pertinent documents relating to the organization
28 of the members in the group self-insurer as a condition of
29 certification.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 51.14 RCW
31 to read as follows:

32 The director may issue a certification of group self-insurance if
33 the group meets all the requirements of this chapter and has submitted
34 all the reports, records, and other information required by the self-
35 insured application process.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 51.14 RCW
2 to read as follows:

3 (1) The membership of an individual member of a group is subject to
4 cancellation by the group as provided by the bylaws of the group. An
5 individual member may also elect to terminate participation in the
6 group. Termination of a participating member is not effective until at
7 least ten days after notice of such termination has been filed with the
8 department and with the member subject to termination. The group shall
9 maintain coverage of each canceled or terminated member until the 30th
10 day after the date of the notice, at the terminating member's expense,
11 unless before that date the director notifies the group that the
12 canceled or terminated member has obtained workers' compensation
13 insurance coverage through the state fund, has become a certified self-
14 insurer, or has become a member of another group.

15 (2) A member who elects to terminate membership or whose membership
16 is canceled by the group remains jointly and severally liable for the
17 workers' compensation obligations of the group and its members incurred
18 during the canceled or terminated member's period of membership.

19 (3) The insolvency, bankruptcy, or termination of a participating
20 member of a group self-insurer does not relieve the group self-insurer
21 from the payment of compensation for injuries or death sustained by an
22 employee during the time the member was a participant in the group
23 self-insurer.

24 (4) Any member terminating membership in a group self-insurer after
25 less than four years in such group self-insurer, and any member in a
26 group self-insurer that has defaulted, may not obtain prospective
27 coverage from any group self-insurer for a period of at least three
28 years from the effective date of termination.

29 NEW SECTION. **Sec. 5.** A new section is added to chapter 51.14 RCW
30 to read as follows:

31 The provisions of this chapter relating to self-insurers are
32 applicable to group self-insurers. The department shall adopt rules to
33 carry out the purposes of sections 1 through 5 of this act.

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