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**SENATE BILL 6579**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senators Baumgartner and Braun

AN ACT Relating to creating real reform in industrial insurance through privatization and competition; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature finds that most states use competition to maximize efficiency in their workers' compensation programs. Private sector competition in providing workers' compensation insurance has been effective in reducing premium costs, maximizing program efficiency, and creating innovative safety programs to protect all workers. Therefore, the purposes of this act are to:

(1) Create an efficient and cost-effective industrial insurance system for the benefit of both employers and workers by introducing competition into the system through a choice of insurance carriers from whom employers may purchase industrial insurance;

(2) Provide workers the benefits of safety systems developed by both private enterprise and by government;

(3) Improve the state's economic climate by providing the private sector with the opportunity to engage in the industrial insurance business with appropriate standards and oversight;

(4) Eliminate a government monopoly with respect to industrial insurance choices for small employers and provide private sector insurance choices for all employers; and

(5) By July 1, 2017, make Washington a state in which employers may self-insure or obtain private sector industrial insurance and eliminate Washington's state-run industrial insurance fund.

NEW SECTION. **Sec.**  (1) The joint legislative task force on industrial insurance privatization is established. The task force consists of the following sixteen members:

(a) The chair and ranking minority member of the senate commerce and labor committee;

(b) The chair and ranking minority member of the house commerce and gaming committee;

(c) One member from each major caucus of the house of representatives, appointed by the speaker of the house of representatives;

(d) One member from each major caucus of the senate, appointed by the president of the senate; and

(e) The following members, appointed jointly by the president of the senate and the speaker of the house of representatives:

(i) Five members representing business, selected from nominations submitted by statewide business organizations. At least one of the members must represent small business and at least one of the members must be a self-insured employer under Title 51 RCW;

(ii) Two members representing insurers, selected from nominations submitted by statewide insurance organizations; and

(iii) One member representing labor, selected from nominations submitted by statewide labor organizations.

(2) The task force shall develop proposed legislation to eliminate Washington's state-run industrial insurance fund by July 1, 2017. The task force must provide its recommendations to the legislature by December 1, 2016.

(3)(a) The task force shall use legislative facilities and staff from senate committee services and the office of program research and may hire additional staff with specific technical expertise if such expertise is necessary and funds are available for that purpose.

(b) The task force, when appropriate, may consult with individuals from the public and private sector or ask such persons to establish an advisory committee.

(c) The department of labor and industries and the office of the insurance commissioner shall cooperate with the task force and each provide a nonvoting liaison member to the task force.

(4) The chairs of the house commerce and gaming committee and the senate commerce and labor committee shall convene and chair the first meeting of the task force, at which time the members shall select a chair or cochairs from its membership.

(5) Each nonlegislative member of the task force is entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. All expenses of the task force, including travel, shall be paid jointly by the senate and the house of representatives.

(6) This section expires June 30, 2017.

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