

1 **ESB 6322** - H COMM AMD

2 By Committee on Financial Institutions & Insurance

3 On page 1, strike everything after the enacting clause and
4 insert the following:

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

15 "NEW SECTION. **Sec. 2.** A new section is added to chapter
16 48.22 RCW to read as follows:

17 (1) Before July 1, 1992, the commissioner shall adopt rules
18 establishing a reasonable plan to insure that workers' compensation
19 coverage as required by the United States Longshoreman's and Harbor
20 Worker's Compensation Act, 33 U.S.C. Secs. 901 through 950, and
21 maritime employer's liability coverage incidental to the workers'

1 compensation coverage is available to those unable to purchase it
2 through the normal insurance market. This plan shall require the
3 participation of all authorized insurers writing primary and excess
4 workers' compensation insurance or reinsurance in amounts
5 proportional to the premiums written by each of these entities.
6 The rules shall require that the plan use generally accepted
7 actuarial principles for rate making. An applicant for such
8 insurance, a person insured under the plan, or an insurer,
9 affected by a ruling or decision of the manager or committee
10 designated to operate the plan may appeal to the commissioner for
11 resolution of a dispute.

12 (2) The Washington state industrial insurance fund, as defined
13 in RCW 51.08.175, shall obtain or provide coverage for the plan
14 created under subsection one of this section on an excess of loss
15 basis that would cover all plan losses exceeding one-hundred and
16 one percent of net premiums written. If such coverage is not
17 provided by July 1, 1992, or if the commissioner determines that
18 the premium to be charged for such coverage would result in
19 unaffordable rates for workers' compensation coverage provided by
20 the plan, the industrial insurance fund shall be relieved of
21 responsibility for obtaining or providing excess of loss coverage
22 and shall participate in the plan on the same basis as an
23 authorized insurer writing workers' compensation insurance except
24 that the industrial insurance fund's share of any plan profits or
25 losses shall not exceed forty-six percent. In considering whether
26 excess of loss coverage premiums would result in unaffordable rates

1 for workers' compensation coverage provided by the plan, the
2 commissioner shall compare plan rates to those provided under any
3 similar pool or plan in existence prior to July 1, 1992.

4 (3) The Washington state industrial insurance fund is
5 authorized to participate in the plan and to make payments in
6 support of the plan in accordance with this section."

7 "NEW SECTION. **Sec. 3.** A new section is added to chapter
8 48.22 RCW to read as follows:

9 Before April 15, 1992, the commissioner shall appoint a
10 committee to provide assistance in drafting the rules required by
11 section 2 of this act. After July 1, 1992, the committee shall
12 assist the commissioner in overseeing the operation of the plan.
13 The committee shall consist of at least eight members. The
14 commissioner and the director of the department of labor and
15 industries shall be members. The remaining members shall be
16 selected to insure equal representation of authorized insurers
17 writing primary or excess workers compensation insurance, insurance
18 producers, organized labor, and maritime employers."

19 "NEW SECTION. **Sec. 4.** A new section is added to chapter
20 48.22 RCW to read as follows:

21 The committee appointed pursuant to section 3 of this act
22 shall submit a report to the legislature no later than January 1,

1 1993, that examines all aspects of the United States Longshoreman's
2 and Harbors Worker's Act (22 U.S.C. Secs. 901 through 950)
3 coverage, and incidental maritime liability coverage, as it applies
4 to Washington workers and employers. This study shall include but
5 not be limited to the ability of private insurers to provide
6 affordable coverage to eligible employers; whether the Washington
7 state industrial insurance fund should participate in the plan
8 adopted pursuant to section 2 of this act; whether there are
9 methods that will satisfy the intent of this act that will not
10 involve the Washington state industrial insurance fund; and the
11 feasibility of requiring that this coverage be made directly
12 available through the Washington state industrial insurance fund."

13 "NEW SECTION. **Sec. 5.** This act shall expire on July 1,
14 1993."

15 "NEW SECTION. **Sec. 6.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of
17 the state government and its existing public institutions, and
18 shall take effect immediately."

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21 On page 1, line 2 of the title, strike "amending RCW
22 48.32.020;" and on line 3 of the title, after "section;" insert
23 "providing an expiration date;"