

1 2720-S AAS 3/6/92

2 SHB 2720 - S COMM AMD
3 By Committee on Commerce & Labor

4 ADOPTED 3/6/92

5 Strike everything after the enacting clause and insert the
6 following:

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

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

19 This chapter shall apply to all kinds of direct insurance, except
20 life, title, surety, disability, credit, mortgage guaranty, workers'
21 compensation included in the state of Washington industrial insurance
22 fund defined in RCW 51.08.175, and ocean marine insurance. However,
23 this chapter applies to workers' compensation insurance only if the
24 applicable order of liquidation is adjudicated on or after July 1,
25 1992."

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

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

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

25 Before April 15, 1992, the commissioner shall appoint a committee
26 to provide assistance in drafting the rules required by section 3 of
27 this act. After July 1, 1992, the committee shall assist the
28 commissioner in overseeing the operation of the plan. The committee
29 shall consist of at least eight members. The commissioner and the

1 director of the department of labor and industries shall be members.
2 The remaining members shall be selected to insure equal representation
3 of authorized insurers writing primary or excess workers compensation
4 insurance, insurance producers, organized labor, and maritime
5 employers."

6 "NEW SECTION. Sec. 5. A new section is added to chapter 48.22 RCW
7 to read as follows:

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

21 "NEW SECTION. Sec. 6. A new section is added to chapter 48.22 RCW
22 to read as follows:

23 The plan adopted pursuant to section 3 of this act shall terminate
24 on July 1, 1993."

25 "NEW SECTION. Sec. 7. Sections 3 and 4 of this act are
26 necessary for the immediate preservation of the public peace, health,

1 or safety, or support of the state government and its existing public
2 institutions, and shall take effect immediately."

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6 In line 2 of the title, after "insurance;" strike the remainder of
7 the title and insert "amending RCW 48.32.020; adding new sections to
8 chapter 48.22 RCW; creating a new section; and declaring an emergency."