

# HOUSE BILL REPORT

## HB 1733

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*As Reported By House Committee on:  
Commerce & Labor*

**Title:** An act relating to industrial insurance premium liabilities of workers.

**Brief Description:** Removing industrial insurance premium liability of workers.

**Sponsor(s):** Representatives R. King, Prentice, Heavey and Cole.

**Brief History:**

Reported by House Committee on:  
Commerce & Labor, February 12, 1991, DP.

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**HOUSE COMMITTEE ON  
COMMERCE & LABOR**

**Majority Report:** *Do pass.* Signed by 7 members:  
Representatives Heavey, Chair; Cole, Vice Chair; Franklin;  
Jones; R. King; O'Brien; and Prentice.

**Minority Report:** *Do not pass.* Signed by 4 members:  
Representatives Fuhrman, Ranking Minority Member; Lisk,  
Assistant Ranking Minority Member; Vance; and Wilson.

**Staff:** Chris Cordes (786-7117).

**Background:** The industrial insurance law requires all employers, except self-insured employers and employers of workers licensed by the Horse Racing Commission, to deduct one-half of the medical aid fund premium from the wages of their workers.

**Summary of Bill:** The industrial insurance provision is deleted that requires state fund employers to deduct one-half of the medical aid fund premium from a worker's wages. Obsolete references to the deduction requirement are deleted.

**Fiscal Note:** Requested January 21, 1991.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Washington is the only state that requires employees to contribute to their workers' compensation insurance premium. Workers cannot control the cost of medical treatment that is received by injured workers. For workers who work for many employers within an industry, such as the construction industry, the worker may pay many different rates over the course of the jobs. The lowest wage earners pay the highest percent of their income for this premium.

**Testimony Against:** Because the State has a monopoly state fund, employers are unable to participate in claims management and keep their costs reasonable. In other states workers are participating in cost sharing and cost control mechanisms not used in Washington. Workers can also help the rates by practicing safety on the job.

**Witnesses:** (in favor) Jeff Johnson, Washington State Labor Council; Ron Forest, Don Arlow, Paul Blaski, and Gary Marsh, District Council of Carpenters; Tony Vivenzio, Service Employees International Union; and Allen Moore. (opposed) Clif Finch, Association of Washington Business; and Gary Smith, Independent Business Association.