

# HOUSE BILL REPORT

## SHB 2720

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*As Passed Legislature*

**Title:** An act relating to longshore and harbor workers' compensation act insurance.

**Brief Description:** Making workers' compensation coverage available to all longshore and harbor workers.

**Sponsor(s):** By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives R. Meyers, Paris, Anderson, Hargrove, Miller, H. Sommers, Winsley, Jones, Basich, J. Kohl, Belcher and Orr).

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, February 7, 1992,  
DPS;  
Passed House, February 17, 1992, 95-0;  
Amended by Senate;  
Passed Legislature.

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**HOUSE COMMITTEE ON  
FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 13 members: Representatives Dellwo, Chair; Zellinsky, Vice Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Dorn; Inslee; R. Johnson; R. Meyers; Paris; Schmidt; Scott; and Winsley.

**Staff:** John Conniff (786-7119).

**Background:** Federal law requires the employers of longshore and harbor workers to obtain workers' compensation coverage for their employees and maritime employers' liability coverage. Longshore and harbor employees currently are not eligible for coverage under the Washington state workers' compensation insurance program.

In Washington, some employers and employees subject to the federal requirement are unable to obtain insurance through private insurance companies or are unable to self-insure.

**Summary of Bill:** Before July 1, 1992, the insurance commissioner must develop an insurance plan to provide

federal longshore and harbor workers coverage for those persons unable to obtain such coverage in normal insurance markets. The losses of the plan must be shared by insurance companies writing such coverage and by the state workers compensation fund. The state fund must share in 50 percent of the losses; primary insurance companies must share in 48 percent of the losses; and excess insurers must share in 2 percent of the losses.

The Department of Labor and Industries must obtain or provide excess of loss insurance coverage for the plan by July 1, 1992. If the department is unable to obtain or provide such coverage or such coverage is unaffordable, the department is relieved of this responsibility.

The insurance commissioner must appoint an eight member committee to study methods of making longshore and harbor workers insurance coverage more available and affordable including whether the Department of Labor and Industries should provide such coverage through the state workers compensation fund.

Insurance companies not admitted to do business in Washington may not solicit or provide longshore and harbor workers insurance within the state.

The act expires on July 1, 1993.

***Fiscal Note:*** Not requested.

***Effective Date:*** Immediately.

***Testimony For:*** None.

***Testimony Against:*** None.

***Witnesses:*** None.