

# HOUSE BILL REPORT

## HB 2445

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As Reported By House Committee On:  
Commerce & Labor

**Title:** An act relating to the calculation of employers' experience ratings.

**Brief Description:** Regulating industrial insurance actions against third persons.

**Sponsors:** Representatives Springer, Chandler and G. Cole; by request of Department of Labor & Industries.

**Brief History:**

Reported by House Committee on:  
Commerce & Labor, January 26, 1994, DP.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 8 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Lisk, Ranking Minority Member; Conway; Horn; King; Springer; and Veloria.

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

**Background:** Under the Industrial Insurance Act, a worker generally may not sue his or her employer or coworker for injuries occurring on the job. The worker or the Department of Labor and Industries may, however, sue a third party who caused the injuries. If money is recovered in the third party law suit, the department is required to retroactively adjust a state fund employer's experience rating account to reflect the third party reimbursement for benefits that were paid. This requirement is also in the department's rules, which were adopted before the statutory provision.

**Summary of Bill:** Provisions are deleted from the industrial insurance law that require the Department of Labor and Industries to make a retroactive adjustment to a state fund employer's experience rating account to reflect the reimbursement from a third party law suit of benefits paid to the injured worker.

**Fiscal Note:** Available.

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

**Testimony For:** This bill is requested by the Department of Labor and Industries and is supported by the business community. It will not affect any worker benefits.

**Testimony Against:** None.

**Witnesses:** (In favor) Doug Connell, Department of Labor and Industries; and Clif Finch, Association of Washington Business.