

HOUSE BILL REPORT

HB 2485

As Passed House
February 15, 1994

Title: An act relating to limiting premium liability of workers for industrial insurance.

Brief Description: Limiting premium liability of workers for industrial insurance.

Sponsors: Representatives Jones, Heavey, R. Meyers, King, Springer, Conway, G. Cole, Veloria, J. Kohl and Kessler.

Brief History:

Reported by House Committee on:
Commerce & Labor, January 26, 1994, DP;
Passed House, February 15, 1994, 55-43.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 6 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Conway;
King; Springer; and Veloria.

Minority Report: Do not pass. Signed by 2 members:
Representatives Lisk, Ranking Minority Member; and Horn.

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 wage deduction that covers state fund employees' one-half share of industrial insurance medical aid premium is changed for workers in the construction industry. For these workers, the wage deduction may not be more than one-half of the amount of the premium under the basic manual premium rate established for the risk classification.

Fiscal Note: Requested January 14, 1994.

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

Testimony For: There is a large variation in the cost of the medical aid premiums paid by construction workers as they move from job to job. This bill would create incentives for employers in the construction industry to provide safer workplaces because the worker's premium would be limited. The employer would have to pay the extra cost if the workplace was more unsafe than the average workplace. Workers are not at a job site long enough to influence the overall safety of the site. There are some employers who have very safe workplaces and others that have workplaces that are consistently unsafe. The problems are being caused by a minority of unsafe employers who are not committed to safety.

Testimony Against: Most employers are strongly committed to safety, but safety can be affected by the actions of third parties. General contractors face many problems because their workplaces involve employees of several subcontractors. Workers pay a share of the medical aid fund premium as part of a package intended to make safety a priority and to recognize that safety is a partnership. Construction workers are not the only workers who work in an industry where the workers move from job to job. Perhaps it is good policy for the workers to be asking more questions about an employer's safety record before they accept a job with the employer. The taxes that employers pay in this state are already among the highest of all the states.

Witnesses: (In favor) Representative Evan Jones, prime sponsor; Bob Dilger, Washington State Building and Construction Trades Council; Gerry Marsh, Carpenters District Council; and Allan Darr, International Union of Operating Engineers. (Opposed) Rick Slunaker, Associated General Contractors of Washington; Dick Ducharme, Building Industry Association of Washington and Utility Contractors Association; and Larry Stevens, United Subcontractors Association. (Neutral) Joe Brewer, Department of Labor and Industries.