

SENATE BILL REPORT

SHB 1543

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, APRIL 2, 1993

Brief Description: Insuring longshore and harbor workers.

SPONSORS: House Committee on Appropriations (originally sponsored by Representatives Zellinsky, Mielke, Tate, Dellwo, Scott, Sommers, G. Cole, R. Johnson, Dyer, R. Meyers, Jones and Basich)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Barr, Fraser, McAuliffe, Newhouse, Pelz, Prince, Sutherland, and Vognild.

Staff: Dave Cheal (786-7576)

Hearing Dates: April 1, 1993; April 2, 1993

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. As a result, the Legislature adopted an insurance plan to provide needed insurance for those employers unable to obtain coverage in the private market. Under the plan, all insurers writing primary and excess workers' compensation insurance and the state Department of Labor and Industries' workers' compensation fund participate in underwriting the losses for such coverage in proportion to each entity's share of the workers' compensation market.

The program is scheduled to expire July, 1, 1993.

SUMMARY:

Operation of the state longshore and harbor workers' insurance plan is extended until July 1, 1995.

The plan is amended to exclude the participation of the state's excess workers' compensation insurers. Liability for plan losses is split equally between private insurers writing longshore and harbor workers' compensation insurance and the state workers' compensation fund. The state workers' compensation fund is authorized to provide reinsurance of the longshore and harbor workers' plan.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

The plan developed by the Insurance Commissioner, as directed by the Legislature, is working as an interim solution to the longshore and harbor workers' insurance availability problem. It has not been possible to devise a long-term solution in the short time available. The two-year extension maintains a workable system and allows the search for a permanent solution to continue.

TESTIMONY AGAINST: None

TESTIFIED: Gordon Baxter, Puget Sound Metal Trades Council (pro); John Woodring (pro); Virginia Clark, Clark Maritime Corporation (pro); Bill Hochberg (pro); Clayton Jones, Red Shield Insurance (con)