

SENATE BILL REPORT

HB 2485

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 25, 1994

**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

**HOUSE COMMITTEE ON COMMERCE & LABOR**

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** Do pass as amended.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Pelz, Sutherland, Vognild and Wojahn.

**Minority Report:** Do not pass.

Signed by Senators Amondson, Newhouse and Sellar.

**Staff:** David Cheal (786-7576)

**Hearing Dates:** February 22, 1994; February 25, 1994

**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:**

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.

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

The bill is made effective January 1, 1995.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 14, 1994

**TESTIMONY FOR:**

Employers have primary control over safety in the workplace; therefore, the premium structure should place the major incentive with the employer. The difference between the employee deduction when working for an employer with a good experience rating and one with a bad rating is too high. Construction workers have no control over who they work for because they are often hired out of a union hall for short-term employment and have no ability to influence safety practices.

**TESTIMONY AGAINST:**

Most construction employers are strongly committed to safety, but safety is greatly affected by the conduct of workers, both their own, and those of subcontractors. The worker share of the medical aid fund premium can help encourage safety consciousness and should be retained throughout the construction industry.

**TESTIFIED:** Robert Dilger, State Building Trades (pro); Dan Absher, AGC/Absher Const. (con); Duke Schaub, AGC Wash. (con); Bill Anderson, Painters DC No. 5 (pro); Allan Darn, Operating Engineer #302 (pro); Rick Slunaker, Associated General Contractors of WA (con); Clif Finch, AWB (con); Dick Ducharme (con); Gary Smith, Ind. Bus. Assn. (con); Larry Stevens, United Subcontractors Assn. (con)