

HOUSE BILL REPORT

HB 2040

As Reported By House Committee On:

Commerce & Labor

Title: An act relating to authorizing the continuation of a special insuring agreement for workers' compensation for the United States department of energy.

Brief Description: Authorizing the continuation of a special insuring agreement for workers' compensation for the United States department of energy.

Sponsors: Representatives Hankins, Delvin, McMorris and Conway; by request of Department of Labor & Industries.

Brief History:

Committee Activity:

Commerce & Labor: 2/26/97, 3/3/97 [DP].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

Staff: Chris Cordes (786-7103).

Background: Uncodified legislation enacted in 1943 permitted the Department of Labor and Industries to adopt a war projects insurance rating plan to provide workers' compensation coverage for workers engaged in certain projects involving the prosecution of World War II and working directly or indirectly for the United States. This authority was modified in 1951 to cover insurance requested by the U.S. Secretary of Defense or the chairman of the Atomic Energy Commission for national defense projects. These plans were not required to conform to the state's industrial insurance law if the plan would effectively aid the national interest. Pensions authorized under these plans were to be invested in a specific manner by the State Finance Committee.

The act authorizing these plans was to remain effective during the continued existence of an emergency declared by the President under certain proclamations or while certain amendments to the War Powers Act of 1941 were in effect.

Summary of Bill: The authority of the Department of Labor and Industries is modified with respect to approving special insuring agreements when requested by the U.S. Secretary of Defense or the secretary of the U.S. Department of Energy. The department may provide industrial insurance coverage for workers engaged directly or indirectly in work for the United States in projects at the Hanford Nuclear Reservation. If an agreement is entered into, it may remain in effect as long as the department deems it necessary to accomplish the purpose of this agreement authority. As under prior law, these agreements need not conform with the requirements of the state's industrial insurance law.

References are deleted to war project or defense project insurance rating plans and to aiding the prosecution of the war or the defense of the United States. A requirement is repealed for this authority to be in effect during the continued existence of a state of emergency declared by the President. Specific instructions regarding the investment of pensions under the agreements are deleted.

The agreement authority is codified in the industrial insurance act.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: These agreements to provide coverage for projects at Hanford have existed since the Manhattan projects. The agreements were intended to protect national security and to provide for possible catastrophic occurrences. Now the authorizing statute needs updating to reflect the current situation at Hanford and to remove any question about the authority for the agreements. The arrangement has worked well for everyone involved and should be continued.

Testimony Against: None.

Testified: Representative Shirley Hankins, prime sponsor; and Mike Watson, Department of Labor and Industries.