

HOUSE BILL ANALYSIS

HB 1773

Brief Description: Allowing employer payment of industrial insurance compensation.

Sponsors: Representatives McMorris and Conway.

Hearing: February 17, 1997

BACKGROUND:

The Department of Labor and Industries determines all benefits and makes all benefit payments to the injured workers of employers insured for industrial insurance with the state fund. The costs of these benefits are charged to employers' experience records.

Both the medical aid fund and accident fund premium rates are experience rated. Under the department's experience rating plan, the premium rate for each employer in each risk class is adjusted by an experience modification factor that reflects the costs charged to the employer. Under certain circumstances, an employer who has experienced no claims with time-loss, permanent disability, or death benefits during the experience period will receive a reduced experience modification factor.

SUMMARY OF BILL:

An employer insured with the state fund for industrial insurance is permitted to pay the permanent partial disability (PPD) compensation awarded to an injured worker. The Department of Labor and Industries will determine the award and administer the payments. The employer will have 60 days following entry of an order awarding PPD compensation to elect to reimburse the department in full for the award or, if the award is to be made in monthly payments, to reimburse the department for the first monthly payment. The department will establish a schedule for future payments and adopt rules for payment procedures.

If the employer reimburses the department for a PPD award, the department may not charge the costs to the employer's experience record.

FISCAL NOTE: Requested on February 17, 1997.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.