

HOUSE BILL ANALYSIS

HB 2808

Brief Description: Regarding mandatory coverage of worker's compensation insurance for agents, brokers, or solicitors of insurance.

Sponsors: Representative McMorris.

Hearing: February 4, 1998

BACKGROUND:

Workers' compensation covers all Washington workers, unless the employment is specifically exempted. All independent contractors— are also covered by workers' compensation when the essence of the contract is the independent contractor's personal labor for the employer. Washington courts determine on a case by case basis whether the essence— of an independent contractor's work is personal labor, and therefore covered by the statute. Interpreting this provision in 1988, the Washington Court of Appeals found that insurance agents working under contract for an insurance company were not employees— covered by workers' compensation, because the agents can and did delegate significant portions of their duties to others. Therefore the essence of the contract was not for the agents' personal labor. *Mass. Mutual Life Insurance Co. v. Dept. Of Labor and Industries.*

Certain enumerated employments are also exempted from mandatory workers' compensation coverage. In 1991, the Legislature amended this list to include services performed by an insurance agent, insurance broker or insurance solicitor.

SUMMARY OF BILL:

Services performed by an insurance agent, insurance broker, or insurance solicitor are no longer specifically listed with those employments which are exempted from mandatory workers' compensation coverage.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

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