

# HOUSE BILL ANALYSIS

## ESB 5954

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**Brief Description:** Transferring custody and management of the self-insurance revolving fund to the University of Washington.

**Background:** The University of Washington (UW) has been self-insured since 1976. Current law provides for a self-insurance revolving fund that is used by the board of regents of the UW to pay settlements and judgments against the university, including its schools, colleges, departments, hospitals, regents, officers, employees, agents and students. The law also provides that the fund be invested by the State Investment Board.

The UW makes regular deposits into the self-insurance fund by wiring funds to the state treasurer. The UW then directs the treasurer's office to transfer funds to the State Investment Board. Some portion of the funds, usually an amount equal to payments needed for three months of claims, is held in cash by the treasurer at the direction of the UW. When investments need to be liquidated, the investment board is notified by the treasurer at the direction of the UW.

After the UW pays a claim, it notifies the treasurer that reimbursement is needed, and funds are wired to the UW. Current law provides that claim payments in excess of \$2500 must be approved by the state attorney general.

The self-insurance revolving fund has a \$30 million balance.

**Summary:** The self-insurance revolving fund is in the custody of the University of Washington which manages its investment. Claim payments in excess of \$25,000 must be approved by the state attorney general. The university claim file, tracking system and tracking system reports are privileged and confidential.

**Fiscal Note:** Not requested.