
HOUSE BILL 1349

State of Washington

55th Legislature

1997 Regular Session

By Representatives McMorris, Kessler, Hatfield, Linville, Costa, Sheldon and Doumit

Read first time 01/23/97. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to extending existing employer workers'
2 compensation group self-insurance to the logging industry; and adding
3 a new section to chapter 51.14 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.14 RCW
6 to read as follows:

7 (1) Any two or more employers in the logging industry may enter
8 into agreements to form self-insurance groups for the purposes of this
9 chapter if:

10 (a) The employers are members of an organization that meets the
11 following conditions:

12 (i) The organization has been in existence for at least five years;

13 (ii) The organization was formed for a purpose other than that of
14 obtaining workers' compensation coverage under this section; and

15 (iii) The occupations of the employers within the organization are
16 substantially similar and within the logging industry, taking into
17 consideration the nature of the services being performed by employees
18 of the employers; and

1 (b) The formation and operation of the group self-insurance program
2 will improve accident prevention and claim management for the employers
3 in the group.

4 (2) A self-insurance group formed under this section shall organize
5 and operate under rules adopted by the director under RCW 51.14.160.

6 (3) A self-insurance group under this chapter is an "employer" for
7 the purposes of this chapter, except RCW 51.14.077, and may qualify as
8 a self-insurer if it meets all the other requirements of this chapter.

9 (4)(a) The group self-insurers' insolvency trust account is created
10 in the custody of the state treasurer. All receipts from the
11 insolvency assessment under (b) of this subsection shall be deposited
12 into the account. Expenditures from the account may be used only to
13 provide for the unsecured benefits paid to the injured employees of
14 group self-insured employers under this title for insolvent or
15 defaulting groups of member employers and for the department's
16 associated administrative costs, including attorneys' fees. Only the
17 director or the director's designee may authorize expenditures from the
18 account. The account is subject to allotment procedures under chapter
19 43.88 RCW, but no appropriation is required for expenditures.

20 (b) To fund the group self-insurers' insolvency trust account, the
21 department shall levy an insolvency assessment on a postinsolvency
22 basis and after the defaulting group's and individual member employers'
23 security deposit assets and reinsurance, if any, have been exhausted.
24 The department shall impose insolvency assessments on all group self-
25 insurers except school districts and hospitals. The department shall
26 adopt rules to set forth the manner of imposing and collecting
27 assessments to ensure that group self-insured employers pay into the
28 account in proportion to their claim costs. The department's rules
29 must provide that self-insurance groups or member employers who have
30 surrendered their certification are assessed for a period of a maximum
31 of three calendar years following the termination date of their
32 certification.

33 (c) The director shall adopt rules to carry out the purposes of
34 this subsection, including but not limited to: Governing the formation
35 of the group self-insurers' insolvency trust account for the purpose of
36 this chapter; governing the organization and operation of the self-
37 insurers' insolvency trust account to assure compliance with this
38 chapter; requiring adequate accountability of the collection and

1 disbursement of funds in the group self-insurers' insolvency trust
2 account; and any other provisions necessary to carry out this chapter.

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