
HOUSE BILL 2041

State of Washington 55th Legislature 1997 Regular Session

By Representatives Honeyford, Thompson, Sherstad, Mielke and Koster

Read first time 02/18/97. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to employers failure to pay industrial insurance
2 premiums; adding a new section to chapter 51.32 RCW; adding a new
3 section to chapter 51.04 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that there is a
6 continuing problem of employers illegally failing to pay industrial
7 insurance premiums. When an employee of an illegally uninsured
8 employer files a claim for benefits, the department of labor and
9 industries is forced to pass on the cost of the benefits provided to
10 other legally insured employers in the same risk classification. It is
11 the intent of the legislature to place the financial burden of paying
12 for the industrial insurance benefits provided to the injured employee
13 on the illegally uninsured employer.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.32 RCW
15 to read as follows:

16 (1) If an employee employed by an illegally uninsured employer
17 makes a claim for industrial insurance benefits, the department may pay
18 only for the medical benefits of the injured employee. The department

1 may not pay for the injured employee's lost employment time, vocational
2 services, or other nonmedical industrial insurance benefits.

3 (2) The department must charge all expenses related to a claim by
4 an employee not covered by industrial insurance to the illegally
5 uninsured employer. If the illegally uninsured employer is unwilling
6 to pay the charges for the benefits provided, the department may file
7 a lien on the illegally uninsured employer's assets for the estimated
8 or actual cost, whichever is greater, of the benefits provided to the
9 employee.

10 (3) The employee must provide payroll records, canceled checks, pay
11 stubs, or other documentation or proof to substantiate a presumption by
12 the employee that industrial insurance premiums were paid on his or her
13 behalf.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 51.04 RCW
15 to read as follows:

16 The director shall report biennially to the legislature concerning
17 the amount of money paid out by the department, and not recovered under
18 section 2(2) of this act, for industrial insurance benefits provided to
19 employees of illegally uninsured employers.

--- END ---