

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1349**

55th Legislature  
1997 Regular Session

Passed by the House March 17, 1997  
Yeas 62 Nays 36

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**Speaker of the  
House of Representatives**

Passed by the Senate April 17, 1997  
Yeas 28 Nays 20

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**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1349** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1349

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Passed Legislature - 1997 Regular Session

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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