1349
Sponsor(s): Representatives McMorris, Kessler, Hatfield, Linville, Costa, Sheldon and Doumit

Brief Title: Extending existing employer workers' compensation group self-insurance.

HB 1349 - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Provides that any two or more employers in the logging industry may enter into agreements to form self-insurance groups for the purposes of chapter 51.14 RCW.

Creates the group self-insurers insolvency trust account.

VETO MESSAGE ON HB 1349
                    April 26, 1997
To the Honorable Speaker and Members,
  The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, House Bill No. 1349 entitled:

"AN ACT Relating to extending existing employer workers' compensation group self-insurance to the logging industry;"

House Bill No. 1349 would allow two or more logging industry employers to form self-insurance groups to cover their industrial insurance responsibilities. It would also create an insolvency trust account to provide for the unsecured benefits paid to injured workers of defaulting group members, and for Department of Labor and Industries' (L&I) administrative costs.

Formation of group self-insurance under this legislation would also create an assigned risk pool, because the best risks and those most financially able will leave the state fund. Premium rates for small employers who remain in the state fund would increase dramatically. This bill could jeopardize the long-term stability and integrity of the industrial insurance fund.

In my opinion, the associations that would qualify to self-insure under this bill already have all these advantages within the L&I retrospective rating program. This program provides refunds to employers based on their safety and claims management success. To date, this program has been very successful in improving accident prevention and claims management for the employers in the group.

For these reasons, I have vetoed House Bill No. 1349 in its entirety.

                    Respectfully submitted,
                    Gary Locke
                    Governor