

HOUSE BILL REPORT

SSB 5147

As Reported By House Committee On:

Commerce & Labor
Appropriations

Title: An act relating to payment of industrial insurance awards after death.

Brief Description: Prescribing procedures for payment of industrial insurance awards after death.

Sponsors: Senate Committee on Labor & Workforce Development (originally sponsored by Senator Patterson).

Brief History:

Committee Activity:

Commerce & Labor: 3/25/99, 4/1/99 [DPA];
Appropriations: 4/5/99 [DPA(CL)].

Brief Summary of Substitute Bill (As Amended by House Committee)

- Requires certain industrial insurance benefits owing to an injured worker for a period before the worker's death to be distributed under the worker's estate if there are no surviving statutory beneficiaries.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 7 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk and McMorris.

Staff: Chris Cordes (786-7103).

Background:

Certain beneficiaries of injured workers receive industrial insurance benefit payments when an injured worker dies before the benefits can be paid. These payments include:

- a permanent partial disability award, if the injured worker dies of a cause other than the industrial accident before receiving the award;
- monthly benefits covering a period before the death of the worker, if the worker suffers another injury; and
- time loss benefits covering the period before death, if the worker dies from an injury.

The beneficiaries entitled to these payments are the worker's surviving spouse, or children of the worker if there is no surviving spouse. Under the industrial insurance law, "child" means a child under age 18, or under age 23 if the child is a full-time student, and a child of any age that is dependent because of a physical, mental, or sensory handicap.

If an injured worker dies from the industrial injury or occupational disease without leaving beneficiaries, the self-insured employer must pay \$10,000 to the supplemental pension fund.

Summary of Amended Bill:

If an injured worker dies and has no surviving statutory beneficiaries, certain unpaid benefits must be paid and distributed under the decedent's will, or if there is no will, according to the statute governing distribution of assets of persons who die without a will. This requirement applies to:

- a permanent partial disability award, if the injured worker dies of a cause other than the industrial accident before receiving the award;
- monthly benefits covering a period before the death of the worker, if the worker suffers another injury; and
- time loss benefits covering the period before death, if the worker dies from an injury.

The Department of Labor and Industries or self-insured employer may satisfy its responsibility to make this payment by sending the payment in the name of the decedent to the decedent's last known address.

If a self-insured employer is obligated to make payment to the supplemental pension fund because an injured worker died without leaving beneficiaries, the \$10,000 payment is reduced by the amount that the self-insurer paid for distribution to the decedent's estate.

Amended Bill Compared to Substitute Bill: The amended bill gives discretion to, instead of requiring, the Department of Labor and Industries or self-insured employer to satisfy its responsibility to make the required benefit payments by mailing the payment in the decedent's name to the decedent's address. The amended bill also adds a provision reducing the required \$10,000 payment to the supplemental pension fund by the amount the self-insurer paid for distribution as part of the worker's estate.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill would close a loophole and allow the estate of an injured worker to receive any payments that were due to the injured worker before his or her death. Under current law, the Department of Labor and Industries has no authority to pay these benefits to an adult, non-dependent child of the worker. The bill needs to be amended, however, to allow the department discretion to make the payment to another address, such as to the executor when the department knows the executor's address.

Testimony Against: None.

Testified: (In support) Senator Julia Patterson.

(In support, with concerns) Clif Finch, Association of Washington Business.

(Neutral) Jody Moran, Department of Labor and Industries; and Vicky Kennedy, Department of Labor and Industries.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Commerce & Labor. Signed by 32 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

Staff: Mark Matteson (786-7145).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Commerce & Labor: No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.