

SENATE BILL REPORT

SB 6516

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, January 31, 2002

Title: An act relating to damages for a self-insurer delaying or refusing to pay benefits.

Brief Description: Changing damages for a self-insurer delaying or refusing to pay benefits.

Sponsors: Senators Regala, Fairley, Gardner, Prentice and Franklin.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/29/02, 1/31/02 [DP, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Fairley, Franklin, Gardner, Rasmussen and Regala.

Minority Report: Do not pass.

Signed by Senators Benton, Deccio, Hochstatter and Honeyford.

Staff: Matthew Adams (786-7784)

Background: Washington's Industrial Insurance Act (IIA) requires self-insured employers to secure the payment of workers' compensation for their injured workers. The IIA prescribes penalties for self-insurers that unreasonably delay or refuse to pay benefits, including the payment of the benefit plus \$500 or 25 percent of the amount due, whichever is greater. Some injured workers have suffered significant financial loss due to the self-insurer's unreasonable delay or refusal to pay benefits.

Summary of Bill: A self-insurer must pay an award of no more than \$10,000 to a claimant who suffers damages resulting from the self-insurer's unreasonable delay or refusal to pay benefits.

The Director of Labor and Industries must issue an order determining whether the claimant in fact suffered damages and the amount of those damages.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill insures reasonable compensation to injured workers.

Testimony Against: This bill introduces elements of tort into Washington's no-fault workers' compensation system. Adequate and appropriate penalties already exist for self-insured employers.

Testified: PRO: Robby Stern, WSLC. CON: Dave Kaplan, WSIA; Kathleen Collins, WSIA; Rick Slunaker, AGC; George Pickett, Dept. of Labor & Industries (neutral) .