
SENATE BILL 5722

State of Washington 64th Legislature 2015 Regular Session

By Senators Benton and Conway

Read first time 01/30/15. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to premiums on policies issued through the
2 Washington longshore and harbor workers' compensation act insurance
3 assigned risk plan; and amending RCW 48.32.030.

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

5 **Sec. 1.** RCW 48.32.030 and 2005 c 100 s 3 are each amended to
6 read as follows:

7 As used in this chapter:

8 (1) "Account" means one of the three accounts created in RCW
9 48.32.040.

10 (2) "Association" means the Washington insurance guaranty
11 association created in RCW 48.32.040.

12 (3) "Commissioner" means the insurance commissioner of this
13 state.

14 (4) "Covered claim" means:

15 (a) Except for longshore and harbor workers' compensation act
16 insurance, an unpaid claim, including one for unearned premiums, that
17 arises out of and is within the coverage of an insurance policy to
18 which this chapter applies issued by an insurer, if such insurer
19 becomes an insolvent insurer after the first day of April, 1971 and
20 (i) the claimant or insured is a resident of this state at the time
21 of the insured event; or (ii) the property from which the claim

1 arises is permanently located in this state. "Covered claim" does not
2 include any amount due any reinsurer, insurer, insurance pool, or
3 underwriting association, as subrogation recoveries or otherwise.
4 However, a claim for any such amount asserted against a person
5 insured under a policy issued by an insurer which has become an
6 insolvent insurer, which, if it were not a claim by or for the
7 benefit of a reinsurer, insurer, insurance pool, or underwriting
8 association, would be a "covered claim" may be filed directly with
9 the receiver of the insolvent insurer, but in no event may any such
10 claim be asserted in any legal action against the insured of such
11 insolvent insurer. In addition, "covered claim" does not include any
12 claim filed with the association subsequent to the final date set by
13 the court for the filing of claims against the liquidator or receiver
14 of an insolvent insurer; and

15 (b) For longshore and harbor workers' compensation act insurance,
16 an unpaid claim, excluding one for unearned premiums, for benefits
17 due an injured worker under the longshore and harbor workers'
18 compensation act that is within the coverage of an insurance policy
19 to which this chapter applies issued by an insurer, if that insurer
20 becomes an insolvent insurer after April 20, 2005, and (i) the
21 worksite from which the injury occurred is within this state or on
22 the navigable waters within or immediately offshore of this state, or
23 (ii) the worksite from which the injury occurred is outside this
24 state, the injured worker is a permanent resident of this state, the
25 injured worker is temporarily working at the worksite from which the
26 injury occurred, and the injured worker is not covered under a policy
27 of longshore and harbor workers' compensation insurance issued in
28 another state. "Covered claim" does not include any amount due any
29 insurer, reinsurer, insurance pool, or underwriting association, as
30 subrogation recoveries or otherwise.

31 (5) "Insolvent insurer" means:

32 (a) An insurer (i) authorized to transact insurance in this state
33 either at the time the policy was issued or when the insured event
34 occurred and (ii) determined to be insolvent and ordered liquidated
35 by a court of competent jurisdiction, and which adjudication was
36 subsequent to the first day of April, 1971; and

37 (b) In the case of an insurer writing longshore and harbor
38 workers' compensation act insurance, an insurer (i) authorized to
39 write this class of insurance at the time the policy was written and

1 (ii) determined to be insolvent and ordered liquidated by a court of
2 competent jurisdiction subsequent to April 20, 2005.

3 (6) "Longshore and harbor workers' compensation act" means the
4 longshore and harbor workers' compensation act as defined in U.S.C.
5 Title 33, Chapter 18, 901 et seq. and its extensions commonly known
6 as the defense base act, outer continental shelf lands act,
7 nonappropriated funds instrumentalities act, District of Columbia
8 workers' compensation act, and the war hazards act.

9 (7) "Member insurer" means any person who (a) writes any kind of
10 insurance to which this chapter applies under RCW 48.32.020,
11 including the exchange of reciprocal or interinsurance contracts, and
12 (b) holds a certificate of authority to transact insurance in this
13 state.

14 (8) "Net direct written premiums" means direct gross premiums
15 written in this state on insurance policies to which this chapter
16 applies, less return premiums thereon and dividends paid or credited
17 to policyholders on such direct business. "Net direct written
18 premiums" does not include premiums on contracts between insurers or
19 reinsurers and does not include premiums on policies issued through
20 the Washington longshore and harbor workers' compensation act
21 insurance assigned risk plan by its servicing carrier.

22 (9) "Person" means any individual, corporation, partnership,
23 association, or voluntary organization.

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