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SENATE BILL 6579

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State of Washington

64th Legislature

2016 Regular Session

By Senators Baumgartner and Braun

Read first time 01/27/16. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to creating real reform in industrial insurance  
2 through privatization and competition; creating new sections; and  
3 providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that most states use  
6 competition to maximize efficiency in their workers' compensation  
7 programs. Private sector competition in providing workers'  
8 compensation insurance has been effective in reducing premium costs,  
9 maximizing program efficiency, and creating innovative safety  
10 programs to protect all workers. Therefore, the purposes of this act  
11 are to:

12 (1) Create an efficient and cost-effective industrial insurance  
13 system for the benefit of both employers and workers by introducing  
14 competition into the system through a choice of insurance carriers  
15 from whom employers may purchase industrial insurance;

16 (2) Provide workers the benefits of safety systems developed by  
17 both private enterprise and by government;

18 (3) Improve the state's economic climate by providing the private  
19 sector with the opportunity to engage in the industrial insurance  
20 business with appropriate standards and oversight;

1 (4) Eliminate a government monopoly with respect to industrial  
2 insurance choices for small employers and provide private sector  
3 insurance choices for all employers; and

4 (5) By July 1, 2017, make Washington a state in which employers  
5 may self-insure or obtain private sector industrial insurance and  
6 eliminate Washington's state-run industrial insurance fund.

7 NEW SECTION. **Sec. 2.** (1) The joint legislative task force on  
8 industrial insurance privatization is established. The task force  
9 consists of the following sixteen members:

10 (a) The chair and ranking minority member of the senate commerce  
11 and labor committee;

12 (b) The chair and ranking minority member of the house commerce  
13 and gaming committee;

14 (c) One member from each major caucus of the house of  
15 representatives, appointed by the speaker of the house of  
16 representatives;

17 (d) One member from each major caucus of the senate, appointed by  
18 the president of the senate; and

19 (e) The following members, appointed jointly by the president of  
20 the senate and the speaker of the house of representatives:

21 (i) Five members representing business, selected from nominations  
22 submitted by statewide business organizations. At least one of the  
23 members must represent small business and at least one of the members  
24 must be a self-insured employer under Title 51 RCW;

25 (ii) Two members representing insurers, selected from nominations  
26 submitted by statewide insurance organizations; and

27 (iii) One member representing labor, selected from nominations  
28 submitted by statewide labor organizations.

29 (2) The task force shall develop proposed legislation to  
30 eliminate Washington's state-run industrial insurance fund by July 1,  
31 2017. The task force must provide its recommendations to the  
32 legislature by December 1, 2016.

33 (3)(a) The task force shall use legislative facilities and staff  
34 from senate committee services and the office of program research and  
35 may hire additional staff with specific technical expertise if such  
36 expertise is necessary and funds are available for that purpose.

37 (b) The task force, when appropriate, may consult with  
38 individuals from the public and private sector or ask such persons to  
39 establish an advisory committee.

1 (c) The department of labor and industries and the office of the  
2 insurance commissioner shall cooperate with the task force and each  
3 provide a nonvoting liaison member to the task force.

4 (4) The chairs of the house commerce and gaming committee and the  
5 senate commerce and labor committee shall convene and chair the first  
6 meeting of the task force, at which time the members shall select a  
7 chair or cochairs from its membership.

8 (5) Each nonlegislative member of the task force is entitled to  
9 be reimbursed for travel expenses in accordance with RCW 43.03.050  
10 and 43.03.060. All expenses of the task force, including travel,  
11 shall be paid jointly by the senate and the house of representatives.

12 (6) This section expires June 30, 2017.

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