

FINAL BILL REPORT

SHB 1755

C 145 L 17
Synopsis as Enacted

Brief Description: Requiring notice to state fund employers for certain workers' compensation third-party settlements.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representative Manweller).

House Committee on Labor & Workplace Standards
Senate Committee on Commerce, Labor & Sports

Background:

Under the state's industrial insurance laws, employers either must insure through the State Fund administered by the Department of Labor and Industries (Department) or, if qualified, may self-insure. State Fund employers pay a basic premium rate for their risk classification, which is adjusted by an experience factor for each employer. The experience period is the oldest three of the four fiscal years before the rate goes into effect each year.

In return for the no-fault nature of industrial insurance, injured workers may not sue his or her employers or a co-worker. However, in cases where a third party may be liable for the injury, the injured worker or their beneficiary may sue the third party for damages. The injured worker may also assign the cause of action to the Department or self-insured employer. State law specifies the distribution of any recovery against the third party. The Department and the self-insurer are entitled to be reimbursed for the benefits paid and estimated to be paid in the future. Any compromise or settlement of the third-party cause of action by the injured worker that results in less than the entitlement for the Department or self-insurer is void unless the Department or self-insurer approves of the compromise or settlement in writing.

Summary:

The Department must provide reasonable ongoing notice to a State Fund employer of the status of any third-party recovery compromise or settlement negotiations between the injured worker or beneficiary and the Department, for the employer's information. Notice is not required if the claim costs are no longer included in determining the employer's experience

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factor, or if the employer cannot be located, is no longer in business, fails to respond, or requests not to receive ongoing notice.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: July 23, 2017