

SENATE BILL REPORT

SHB 2382

As Reported by Senate Committee On:
Labor & Commerce, February 19, 2024

Title: An act relating to death benefits applicable to drivers of transportation network companies.

Brief Description: Concerning death benefits applicable to drivers of transportation network companies.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Berry, Lekanoff, Reed, Bronoske, Fosse, Pollet and Ormsby).

Brief History: Passed House: 2/13/24, 57-40.

Committee Activity: Labor & Commerce: 2/19/24 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Provides that death benefits under the workers' compensation system must be paid to a transportation network company (TNC) driver if the driver's death results from an injury while the driver was logged onto the TNC's digital network as available for work and physically inside or within the immediate proximity of the TNC driver's vehicle.
- Requires the Department of Labor and Industries (L&I) to conduct or contract out for a study using administrative and other available data and report to the Legislature by July 1, 2029. The study must include the number and frequency of workers filing claims with L&I who are victims of crime while connected to work through a digital network, online-enabled application, website, or other similar system; whether those claims were accepted or denied; and if denied, the reason for the denial.

SENATE COMMITTEE ON LABOR & COMMERCE

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Hansen and Stanford.

Minority Report: Do not pass.

Signed by Senators MacEwen and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Braun.

Staff: Susan Jones (786-7404)

Background: Under the state's industrial insurance laws, workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. The Department of Labor and Industries (L&I) administers the program. Depending on the disability, workers receive medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities.

When death results from the work-related injury, the surviving spouse receives a pension until the spouse remarries. Dependent children of workers who die from a work-related injury are also entitled to benefits, as are other dependents. The beneficiary must submit an application for benefits within one year from the date of the worker's death due to injury. The amount of a monthly survivor benefit varies depending upon whether there is a surviving spouse or registered domestic partner, children, or other dependents. For example, a surviving spouse or registered domestic partner may receive 60 percent of the wages at the time of injury up to the maximum level allowed by law. If the worker had minor children, an additional 2 percent per child is paid, up to an additional maximum of 10 percent.

A transportation network company (TNC), is a company that uses a digital network to connect passengers to drivers for prearranged rides. L&I assesses TNCs premiums for workers' compensation coverage applicable to drivers during the time the driver is traveling from a dispatch location to pick up a passenger and while the driver is transporting the passenger. Workers' compensation coverage does not apply to drivers at other times.

Employers must obtain industrial insurance either through the State Fund administered by L&I, or, if qualified, may self-insure. For State Fund employers, L&I must classify all occupations or industries in accordance with their degree of hazard and fix basic rates of premium which shall be:

- the lowest necessary to maintain actuarial solvency of the accident and medical aid funds in accordance with recognized insurance principles; and
- designed to attempt to limit fluctuations in premium rates.

L&I must formulate and adopt rules governing the method of premium calculation and collection and providing for a rating system consistent with recognized principles of

workers' compensation insurance which shall be designed to stimulate and encourage accident prevention and to facilitate collection. L&I may annually, or at such other times as it deems necessary to achieve these objectives, readjust rates.

L&I rules provide that premiums vary by:

- the nature of the business conducted;
- the specific classifications applicable to the business;
- the unit of exposure applicable to the industry; and
- the company's experience factor.

Summary of Amended Bill: Death benefits are payable when a TNC driver's death results from an injury occurring while the driver is:

- logged on the TNC digital network as available for work;
- physically inside or within the immediate proximity of the TNC driver's vehicle; and
- not otherwise covered under the workers' compensation laws.

The statute of limitations begins on the TNC driver's death. L&I may adopt rules regarding these benefits.

The cost of the death benefits must be included in the consideration of rate increases for the risk class and not attributed to a single TNC. The cost may not be included in the calculation of any individual TNC experience modification factor.

L&I must conduct or contract out for a study using administrative and other available data and report to the legislature by July 1, 2029. The study shall include, but is not limited to, the number and frequency of workers filing claims with the department who are victims of crime while connected to work through a digital network, online-enabled application, website or other similar system; whether those claims were accepted or denied; and if denied, the reason for the denial. The study shall not include remote workers working from their homes.

EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S):

- Requires the Department of Labor and Industries (L&I) to conduct or contract out for a study using administrative and other available data and report to the Legislature by July 1, 2029. The study must include the number and frequency of workers filing claims with L&I who are victims of crime while connected to work through a digital network, online-enabled application, website, or other similar system; whether those claims were accepted or denied; and if denied, the reason for the denial.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Substitute House bill: *The committee recommended a different version of the bill than what was heard.* No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A