
SENATE BILL 5570

State of Washington 53rd Legislature 1993 Regular Session

By Senators Roach, Hargrove, Deccio, Hochstatter and Barr

Read first time 02/03/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to workers' compensation insurance for small
2 businesses; and amending RCW 51.16.035 and 51.16.060.

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

4 **Sec. 1.** RCW 51.16.035 and 1989 c 49 s 1 are each amended to read
5 as follows:

6 (1) Except as otherwise provided for in subsection (2) of this
7 section, the department shall classify all occupations or industries in
8 accordance with their degree of hazard and fix therefor basic rates of
9 premium which shall be the lowest necessary to maintain actuarial
10 solvency of the accident and medical aid funds in accordance with
11 recognized insurance principles. The department shall formulate and
12 adopt rules and regulations governing the method of premium calculation
13 and collection and providing for a rating system consistent with
14 recognized principles of workers' compensation insurance which shall be
15 designed to stimulate and encourage accident prevention and to
16 facilitate collection. The department may annually, or at such other
17 times as it deems necessary to maintain solvency of the funds, readjust
18 rates in accordance with the rating system to become effective on such
19 dates as the department may designate.

1 (2) For small businesses with three or fewer employees and a
2 payroll of less than five thousand dollars per year the department
3 shall set the premium at forty dollars per year.

4 (3) The department may insure the workers' compensation obligations
5 of employers as a group if the following conditions are met:

6 ((+1)) (a) All the employers in the group are members of an
7 organization that has been in existence for at least two years;

8 ((+2)) (b) The organization was formed for a purpose other than
9 that of obtaining workers' compensation coverage;

10 ((+3)) (c) The occupations or industries of the employers in the
11 organization are substantially similar, taking into consideration the
12 nature of the services being performed by workers of such employers;
13 and

14 ((+4)) (d) The formation and operation of the group program in the
15 organization will substantially improve accident prevention and claim
16 management for the employers in the group.

17 In providing an employer group plan under this section, the
18 department may consider an employer group as a single employing entity
19 for purposes of dividends or premium discounts.

20 **Sec. 2.** RCW 51.16.060 and 1985 c 315 s 1 are each amended to read
21 as follows:

22 (1) Except as otherwise provided for in subsection (2) of this
23 section, every employer not qualifying as a self-insurer((7)) shall
24 insure with the state and shall, on or before the last day of January,
25 April, July and October of each year thereafter, furnish the department
26 with a true and accurate payroll for the period in which workers were
27 employed by it during the preceding calendar quarter, the total amount
28 paid to such workers during such preceding calendar quarter, and a
29 segregation of employment in the different classes established pursuant
30 to this title, and shall pay its premium thereon to the appropriate
31 fund. Premiums for a calendar quarter, whether reported or not, shall
32 become due and delinquent on the day immediately following the last day
33 of the month following the calendar quarter. The sufficiency of such
34 statement shall be subject to the approval of the director: PROVIDED,
35 That the director may in his or her discretion and for the effective
36 administration of this title require an employer in individual
37 instances to furnish a supplementary report containing the name of each
38 individual worker, his or her hours worked, his or her rate of pay and

1 the class or classes in which such work was performed: PROVIDED
2 FURTHER, That in the event an employer shall furnish the department
3 with four consecutive quarterly reports wherein each such quarterly
4 report indicates that no premium is due the department may close the
5 account: PROVIDED FURTHER, That the department may (~~promulgate~~)
6 adopt rules and regulations in accordance with chapter 34.05 RCW to
7 establish other reporting periods and payment due dates in lieu of
8 reports and payments following each calendar quarter, and may also
9 establish terms and conditions for payment of premiums and assessments
10 based on estimated payrolls, with such payments being subject to
11 approval as to sufficiency of the estimated payroll by the department,
12 and also subject to appropriate periodic adjustments made by the
13 department based on actual payroll(~~(: AND PROVIDED FURTHER, That)~~).

14 (2) Every employer with three or fewer employees and a payroll of
15 less than five thousand dollars not qualifying as a self-insurer shall
16 insure with the state and shall, on or before the last day of January
17 of each year thereafter, furnish the department with a true and
18 accurate payroll for the period in which workers were employed by it
19 during the preceding calendar year, the total amount paid to such
20 workers during such preceding calendar year, and a segregation of
21 employment in the different classes established pursuant to this title,
22 and shall pay its premium thereon to the appropriate fund. Premiums
23 for a calendar year, whether reported or not, shall become due and
24 delinquent on the day immediately following the last day of January
25 following the calendar year. The sufficiency of such statement shall
26 be subject to the approval of the director: PROVIDED, That the
27 director may in his or her discretion and for the effective
28 administration of this title require an employer in individual
29 instances to furnish a supplementary report containing the name of each
30 individual worker, his or her hours worked, his or her rate of pay and
31 the class or classes in which such work was performed: PROVIDED
32 FURTHER, That in the event an employer shall furnish the department
33 with a yearly report indicating that no premium is due the department
34 may close the account: PROVIDED FURTHER, That the department may
35 establish terms and conditions for payment of premiums and assessments
36 based on estimated payrolls, with such payments being subject to
37 approval as to sufficiency of the estimated payroll by the department,
38 and also subject to appropriate periodic adjustments made by the
39 department based on actual payroll.

1 (3) A temporary help company which provides workers on a temporary
2 basis to its customers shall be considered the employer for purposes of
3 reporting and paying premiums and assessments under this title
4 according to the appropriate rate classifications as determined by the
5 department: PROVIDED, That the employer shall be liable for paying
6 premiums and assessments, should the temporary help company fail to pay
7 the premiums and assessments under this title.

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