

SENATE BILL REPORT

SB 6222

As Passed Senate, February 2, 1996

Title: An act relating to self-insurance administrative procedures.

Brief Description: Providing for self-insurance administrative procedures.

Sponsors: Senators Pelz, Deccio and Newhouse; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/11/96, 1/15/96 [DP].
Passed Senate, 2/2/96, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, McDonald and Newhouse.

Staff: Jack Brummel (786-7428)

Background: When an employee or an organization representing employees requests a hearing to determine if there are grounds for decertifying a self-insured employer, the Department of Labor and Industries must hold the hearing. This has proven to be a cumbersome and expensive process that rarely results in decertification because the law allows a self-insurer 30 days to self-correct.

Self-insurers are currently required to send a form to the department upon making an initial time-loss payment to an injured worker. They must also send a form whenever benefits change or stop. While the department does review the initial and final forms in detail, the supplemental forms notifying the department of changes are not reviewed on receipt nor with any regularity due to the high volume of such forms.

Summary of Bill: Hearings on decertification of self-insured employers are discretionary. The 30 day allowance for self-correcting is eliminated for those self-insured employers that the department determines should be decertified. Self-insurers receive no less than 90 days notice prior to decertification.

Self-insurers are no longer required to notify the department upon stopping or changing payment of income benefits. The department may require submission of a record of benefit payments.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This would allow flexibility making it easier to take action against bad actors. Business and labor reached agreement on these issues through a department sponsored task force.

Testimony Against: None.

Testified: Mark Brown, L&I (pro); Clif Finch, AWB (pro); Robert Stern, WA State Labor Council (pro); Dave Ducharme, WA Assn. of Self-Insurers (pro).