

FINAL BILL REPORT

SSB 5053

C 281 L 07

Synopsis as Enacted

Brief Description: Creating the office of the ombudsman for workers of industrial insurance self-insured employers.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Keiser, Kohl-Welles and Kline).

Senate Committee on Labor, Commerce, Research & Development **House Committee on Commerce & Labor**

Background: Under the Department of Labor and Industries' (L&I) workers' compensation insurance program, employees are compensated for approved medical, hospital, and related services due to workplace injuries. Most employers must provide coverage for their employees by either paying into the Washington State Fund or by qualifying as a self-insurer.

Self-insured employers must provide their injured workers with the same benefits that are provided to injured workers in state fund claims, including medical and partial wage replacement benefits, permanent partial and total disability benefits, and death benefits. Self-insured employers manage most aspects of their injured worker claims and are required to report various claims actions to L&I. It is a long-term obligation by the self-insured employer to be responsible for the payment of benefits during the time a claim is open. L&I oversees the provision by the self-insured employer of benefits to ensure compliance with its rules and regulations and reviews the financial strength of the self-insurer to ensure that workers' compensation obligations can be met.

Summary: The office for the ombudsman for workers of industrial insurance self-insured employers is created. It may be openly and competitively contracted by the Governor, and may not be physically housed within the Industrial Insurance Division of L&I. The ombudsman is appointed by the Governor and reports to the Director of L&I. The person appointed ombudsman must: have training or experience with Washington State industrial insurance and the Washington State legal system; act as an advocate for injured workers of self-insured employers; provide industrial insurance information to workers of self-insured employers; receive complaints and inquiries; and refer complaints to L&I.

The ombudsman is not liable for the good faith performance of his or her responsibilities, and workers who provide information to or communicate with the ombudsman may not be subject to discriminatory, disciplinary, or retaliatory action by their employers. The ombudsman's records and files are not subject to public disclosure.

Start-up funding for the ombudsman's office is provided by a one-time assessment on all self-insurers as determined by L&I to meet the start-up costs. An annual administrative assessment on self-insurers is established to provide ongoing funding for the ombudsman's office. The amount of the annual assessment will be determined by the Director of L&I.

Beginning in October 2008, the ombudsman must report by October 1 of each year to the Governor on the issues addressed by the ombudsman during the past year; an accounting of the ombudsman's monitoring activities; and deficiencies in the industrial insurance system related to self-insurers.

Votes on Final Passage:

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| Senate | 31 | 16 | |
| House | 59 | 35 | (House amended) |
| Senate | 32 | 15 | (Senate concurred) |

Effective: July 22, 2007