

# SENATE BILL REPORT

## SB 6522

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As Passed Senate, February 12, 2014

**Title:** An act relating to restricting the use of personal information gathered during the claims resolution structured settlement agreement process.

**Brief Description:** Restricting the use of personal information gathered during the claims resolution structured settlement agreement process.

**Sponsors:** Senators Holmquist Newbry and Conway.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/05/14, 2/07/14 [DP].  
Passed Senate: 2/12/14, 48-0.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt, King and Kohl-Welles.

**Staff:** Mac Nicholson (786-7445)

**Background:** The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless they fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally, and the exemptions narrowly, in order to effectuate a general policy favoring disclosure.

Workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. Depending on the disability, workers are entitled to medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities. Certain injured workers can resolve their industrial insurance claims through claims resolution structured settlement agreements. During a settlement negotiation, information that is shared with the Department of Labor and Industries or the employer is confidential and not subject to public disclosure. An injured worker may share information about retirement benefits, spousal income, motivations for settlement, and unrelated medical conditions. However, when the agreement and any associated information in the claim file is

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submitted to the Board of Industrial Insurance Appeals (BIIA) for approval, the information loses its confidentiality and becomes subject to public disclosure.

**Summary of Bill:** All information related to individual settlement agreements submitted to the BIIA is exempt from public disclosure.

Information gathered during the settlement agreement process is a considered statement made in the course of compromise negotiations and is inadmissible in any future litigation. This would include forms filled out by the parties and testimony during a settlement conference before the BIIA.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Soon after the 2011 legislation allowing settlements, this issue of disclosure was brought forward by members. A claim file is not subject to disclosure at Labor and Industries, but in front of the BIIA information beyond the claim file, including information about assets outside worker compensation scenario, might be provided which would be subject to disclosure. This bill will be helpful.

OTHER: This is a very controversial subject with great public interest. The data underlying reports and agreements is of interest and should be accessible, provided there is no ability to identify specific individuals.

**Persons Testifying:** PRO: Michael Temple, WA State Assn. for Justice.

OTHER: Rowland Thompson, Allied Daily Newspapers of WA.