

**WAC 296-15-125 Default by a self-insurer.** (1) What is a default? A default occurs when a self-insured employer no longer provides benefits to its injured workers in accordance with Title 51 of the Revised Code of Washington, or is determined to otherwise fail to meet the requirements of a self-insured employer under Title 51 RCW. A default can be a voluntary action of the self-insured employer, an action brought on by the employer's inability to pay the obligation, or an action brought on by the department.

(2) What happens when the department first learns a self-insured employer has discontinued meeting its obligations under Title 51 RCW? The department will send notice to the self-insurer that if it does not send confirmation within 10 calendar days that it intends to continue to meet its obligations under Title 51 RCW, the department will determine that the self-insurer has defaulted. If the self-insurer does not respond to the department and resume meeting its obligations under Title 51 RCW within 10 days, the self-insured employer is determined to have defaulted.

(3) What happens when the department determines that the self-insured employer has defaulted? The following actions occur when a default by a self-insured employer is determined:

(a) The department assumes jurisdiction of the claims of the defaulting self-insurer and begins to provide benefits to those injured workers.

(b) If the self-insurer is a private entity, or a public entity or group that has provided surety consistent with WAC 296-15-121, the department makes demand upon the surety provided by that self-insurer for the full amount of the surety. The proceeds of the surety are deposited with the department and accrue interest, which will be used to supplement the surety in providing benefits to those injured workers.

(4) What happens to a self-insured employer's certification when it defaults? The employer surrenders its self-insurance certification when it defaults. Any remaining employment in the state would need industrial insurance coverage through the state fund effective with the default by the employer.

[Statutory Authority: RCW 51.14.090, 51.14.095, and 51.14.180. WSR 24-11-121, § 296-15-125, filed 5/21/24, effective 7/1/24. Statutory Authority: RCW 51.04.020, 51.14.020, 51.32.190, 51.14.090, and 51.14.095. WSR 06-07-141, § 296-15-125, filed 3/21/06, effective 5/1/06.]