

HOUSE BILL REPORT

SHB 1250

As Amended by Senate

Title: An act relating to prompt payment of industrial insurance awards.

Brief Description: Providing for prompt payment of industrial insurance awards.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Cole, Cody, Conway, Basich, Scott, Costa and Chopp).

Brief History:

Committee Activity:

Commerce & Labor: 2/27/95, 3/1/95 [DPS].

Floor Activity:

Passed House: 3/7/95, 96-0.

Senate Amended.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

Staff: Chris Cordes (786-7117).

Background: If a self-insurer refuses or neglects to comply with an industrial insurance compensation order which has become final, the Department of Labor and Industries or the person entitled to relief may begin court proceedings for enforcement of the order. These provisions do not establish any time limits for compliance with the order. There are no comparable provisions in statute that apply to the department's failure to pay compensation under a final order.

Summary of Bill: If a worker or beneficiary prevails in an appeal by any party to the Board of Industrial Insurance Appeals or the courts, the Department of Labor and Industries must comply with the board's or court's order respecting payment of compensation within 60 days after order has become final and is not subject to further review or, if the order has become final and documents necessary to make payments have been requested from the injured worker, within 60 days after the documents have been returned by the injured worker. The department must make the request for

documents within 60 days after the order becomes final. The department may extend the 60-day time period an additional 30 days for good cause.

Provisions are added to authorize proceedings against the department if the department fails to comply with the board or court order and to establish penalties against the department. In proceedings brought under these provisions, the court may order a penalty of up to \$500 to the person entitled to relief.

The bill applies to all industrial insurance appeals determined on or after the bill's effective date.

EFFECT OF SENATE AMENDMENT(S):

Under the Senate amendment, the Department of Labor and Industries must comply with a compensation order of the Board of Industrial Insurance Appeals or the court within 60 days after the order is entered or within 60 days after all requested documents are filed following entry of the order, instead of within 60 days after the order becomes final. Additional penalties are added that allow the court, when enforcement proceedings are brought against the department, to award costs and attorneys' fees and a penalty of \$500 for each month that payment is not received beyond the statutory time period.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: (Original bill) In some cases, injured workers have waited a year or more to begin receiving their workers' compensation benefits after their appeal is over. Amendments should be considered to make the penalty apply to each day of delay and to allow the award of attorneys' fees and costs if proceedings are needed to enforce the bill. (Substitute bill) The substitute bill addresses two concerns: 30 days was not enough time for the Department of Labor and Industries to process these awards and begin payment; and sometimes the delay is caused by a worker's failure to return the documents needed to establish the amount of the compensation.

Testimony Against: (Original bill) The time period is too short and the bill does not address delays caused by the worker. It is not clear that there is an identified problem that needs correction. (Substitute bill) There is no reason to exclude self-insurers from the requirements of the bill. The time period for department action could be increased for complex pension claims, but should not be increased for other types of claims.

Testified: (In favor of original bill, concerns with substitute bill) Kate Austin, Workers Injured Need Support; Robby Stern, Washington State Labor Council; and James Causey, Washington State Trial Lawyers Association. (Opposed to original bill, concerns addressed in substitute bill) Clif Finch, Association of Washington Business.

Votes on Final Passage:

Yeas 96; Excused 2

Excused: Blanton, Grant