Support SB 5822

Workers' Comp Reform for Injured Workers and Job Creators

SB 5822 addresses:

⇒ **Occupational disease reform—make sure allowed claims arise out of and in the course of work**

A 2012 study by the Upjohn Institute confirms that occupational disease claims are a growing percentage of overall claims, much more expensive, and much more likely to become lifetime pensions.

⇒ **Structured settlement reform—allow responsible adults to settle their non-medical claims**

A 2016 study by the Upjohn Institute confirms that there were no adverse effects or unintended consequences of allowing structured settlements in Washington, but many unnecessary limitations hurt the program's effectiveness.

⇒ **Third-party claims—fix the reimbursement loophole**

A 2010 decision of the Washington Supreme Court created a loophole incentivizing trial lawyers to game workers' comp money in third party cases so the system can't get reimbursed, raising costs and putting pressure on rates.

⇒ **Self-Insured claims—allow greater claims management responsibility**

JLARC performance audits in 1998 and 2015 and the Self-Insurance Ombuds have pointed out that L&I focus should be audit and oversight, while self-insured employers manage their own claims.

Why?

⇒ **Workers still aren't getting back to work**

Washington's average days off work continues to be around 250, twice the national average and three times the Oregon average. Washington's total permanent disability rate continues to be around 1500 per year, two to three times the next highest states. Workers in some industries are making more money off workers' comp than they were at work.

⇒ **Despite attempts at reform, costs continue to rise**

Since 2011 reforms, State Fund premiums have increased over 6 percent while premiums have decreased in most states. The National Academy of Social Insurance shows Washington still pays the highest benefits per covered worker in the nation.

⇒ **The Department's answer is higher penalties and more employees**

Rather than seek cost-reduction measures, the Department's legislative priorities include higher safety penalties on employers and nearly $47 million dollars for 78 new full time employees.

SB 5822 is supported by:

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