

board membership and diminish for some time the value of its advice on a wide variety of issues currently under its consideration, including telecommunications technology.

Section 11 of the bill would establish an advisory committee to the Information Services Board. As stated, the board already is authorized to receive input from all interested and knowledgeable sources. I encourage it to maximize that opportunity.

Sections 14, 15, and 16 attempt to address the issues surrounding educational programming which includes commercials and its use in public schools. Section 15 calls for the Office of the Superintendent of Public Instruction, in cooperation with the Washington State School Directors' Association, to encourage school districts not to make a decision on using this programming until the results of the study mandated in section 16 are known. This pre-empt's a school district's ability to make reasoned decisions on this subject and prejudices the outcome of the study. These are issues better addressed and resolved at the local level, where the school districts can better identify and weigh the particular advantages and disadvantages of using such programming.

For these reasons, I have vetoed sections 4, 5, 11, 14, 15 and 16 of the bill.

With the exception of sections 4, 5, 11, 14, 15 and 16, Substitute House Bill No. 2403 is approved."

## CHAPTER 209

[House Bill No. 2485]

### INDUSTRIAL INSURANCE PROGRAM REGULATION

AN ACT Relating to the regulation of industrial insurance; amending RCW 51.14.020 and 51.28.070; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 27, chapter 289, Laws of 1971 ex. sess. as last amended by section 1, chapter 57, Laws of 1986 and RCW 51.14.020 are each amended to read as follows:

(1) An employer may qualify as a self-insurer by establishing to the director's satisfaction that he or she has sufficient financial ability to make certain the prompt payment of all compensation under this title and all assessments which may become due from such employer. Each application for certification as a self-insurer submitted by an employer shall be accompanied by payment of a fee of one hundred fifty dollars or such larger sum as the director shall find necessary for the administrative costs of evaluation of the applicant's qualifications. Any employer who has formerly been certified as a self-insurer and thereafter ceases to be so certified may not apply for certification within three years of ceasing to have been so certified.

(2) (a) A self-insurer may be required by the director to supplement existing financial ability by depositing in an escrow account in a depository designated by the director, money and/or corporate or governmental securities approved by the director, or a surety bond written by any company admitted to transact surety business in this state, or provide an irrevocable letter of credit issued by a federally or state chartered commercial banking institution authorized to conduct business in the state of Washington filed

with the department. The money, securities, ~~((or))~~ bond, or letter of credit shall be in an amount reasonably sufficient in the director's discretion to insure payment of reasonably foreseeable compensation and assessments but not less than the employer's normal expected annual claim liabilities and in no event less than one hundred thousand dollars. In arriving at the amount of money, securities, ~~((or))~~ bond, or letter of credit required under this subsection, the director shall take into consideration the financial ability of the employer to pay compensation and assessments and his or her probable continuity of operation. However, a letter of credit shall be acceptable only if the self-insurer has a net worth of not less than five hundred million dollars as evidenced in an annual financial statement prepared by a qualified, independent auditor using generally accepted accounting principles. The money, securities, ~~((or))~~ bond, or letter of credit so deposited shall be held by the director to secure the payment of compensation by the self-insurer and to secure payment of his or her assessments. The amount of security may be increased or decreased from time to time by the director. The income from any securities deposited may be distributed currently to the self-insurer.

(b) The letter of credit option authorized in (a) of this subsection shall not apply to self-insurers authorized under RCW 51.14.150 or to self-insurers who are counties, cities, or municipal corporations.

(3) Securities or money deposited by an employer pursuant to subsection (2) of this section shall be returned to him or her upon his or her written request provided the employer files the bond required by such subsection.

(4) If the employer seeking to qualify as a self-insurer has previously insured with the state fund, the director shall require the employer to make up his or her proper share of any deficit or insufficiency in the state fund as a condition to certification as a self-insurer.

(5) A self-insurer may reinsure a portion of his or her liability under this title with any reinsurer authorized to transact such reinsurance in this state: PROVIDED, That the reinsurer may not participate in the administration of the responsibilities of the self-insurer under this title. Such reinsurance may not exceed eighty percent of the liabilities under this title.

(6) For purposes of the application of this section, the department may adopt separate rules establishing the security requirements applicable to units of local government. In setting such requirements, the department shall take into consideration the ability of the governmental unit to meet its self-insured obligations, such as but not limited to source of funds, permanency, and right of default.

(7) The director shall adopt rules to carry out the purposes of this section including, but not limited to, rules respecting the terms and conditions of letters of credit and the establishment of the appropriate level of net

worth of the self-insurer to qualify for use of the letter of credit. Only letters of credit issued in strict compliance with the rules shall be deemed acceptable.

Sec. 2. Section 51.28.070, chapter 23, Laws of 1961 as last amended by section 36, chapter 350, Laws of 1977 ex. sess. and RCW 51.28.070 are each amended to read as follows:

Information contained in the claim files and records of injured workers, under the provisions of this title, shall be deemed confidential and shall not be open to public inspection (other than to public employees in the performance of their official duties), but representatives of a claimant, be it an individual or an organization, may review a claim file or receive specific information therefrom upon the presentation of the signed authorization of the claimant. A claimant may review his or her claim file if the director determines, pursuant to criteria adopted by rule, that the review is in the claimant's interest. Employers or their duly authorized representatives may review any files of their own injured workers in connection with any pending claims. Physicians treating or examining workers claiming benefits under this title, or physicians giving medical advice to the department regarding any claim may, at the discretion of the department, inspect the claim files and records of injured workers, and other persons may make such inspection, at the ((departments)) department's discretion, when such persons are rendering assistance to the department at any stage of the proceedings on any matter pertaining to the administration of this title.

NEW SECTION. Sec. 3. Section 1 of this act shall take effect January 1, 1991.

Passed the House February 12, 1990.

Passed the Senate March 1, 1990.

Approved by the Governor March 27, 1990.

Filed in Office of Secretary of State March 27, 1990.

## CHAPTER 210

[Substitute Senate Bill No. 6608]

### TRAFFIC VIOLATIONS ENFORCEMENT

AN ACT Relating to enforcement of traffic violations; amending RCW 46.64.020, 46.52-.020, 46.20.336, 46.20.342, 46.20.420, and 46.65.090; adding a new section to chapter 46.20 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 46.64.020, chapter 12, Laws of 1961 as last amended by section 1, chapter 38, Laws of 1988 and RCW 46.64.020 are each amended to read as follows:

(1) The legislature finds that: