

WAC 296-17-31007 Owner/officer coverage and coverage for exempt employments. (1) **As a business owner, can I buy workers' compensation insurance to cover myself or to cover workers who are exempt from mandatory coverage as defined in RCW 51.12.020, 51.12.035, or 51.12.170?**

Yes. ((If you are a)) Coverage is not required, but is available for sole proprietors, partners, qualifying corporate officers, ((or)) qualifying members of a limited liability company ((you may not be required to have industrial insurance coverage as provided in RCW 51.12.020. In these instances, you can still obtain workers' compensation coverage from us)), and for exempt employments defined in **RCW 51.12.020, 51.12.035, or 51.12.170.** We refer to this coverage as optional coverage ((since as the owner/officer, you are not required to have this insurance. Because owner insurance coverage is optional)). For owner optional coverage, you must meet certain conditions and requirements which are detailed on the application for owner/officer optional coverage. These requirements include:

- Completing an application for optional owner/officer coverage;
- Reporting owner/officer hours in the classification assigned to your business that is applicable to the work being performed by the owner/officer;
- Submitting a supplemental report which lists the name of each covered owner/officer; and
- Reporting four hundred eighty hours or actual hours worked each quarter for each covered owner/officer and in the applicable workers' compensation classification code.

(2) **When will my owner/officer coverage or coverage for exempt employments become effective?**

Your coverage will become effective ((upon receipt of your application in the department in writing or by fax)) the day after we receive your completed and signed application for optional coverage, unless you indicate ((a future)) that optional coverage should begin at a later date. ((However, no such person or beneficiaries thereof shall be entitled to benefits unless the date of injury were the next day or later after coverage was elected. We will not make coverage effective on a date prior to our receipt of)) Coverage cannot begin before the day after we receive your completed application ((for owner/officer coverage)).

(3) **How does cancellation work?** You may cancel your optional owner/officer coverage or elective coverage for exempt employments by notifying the department in writing. For sole proprietors and partners, we will cancel your coverage either the same day we receive your written notice to cancel or on the future date you indicate. For corporations, LLCs or elective coverage for exempt employment, we will cancel the coverage thirty days from the date we receive your written request to cancel.

The department may cancel optional coverage if any required payments have not been made. Cancellation will become effective no later than thirty days from the date of the cancellation notice the department sent to the employer.

When your account balance is paid, if you want to reestablish owner/officer coverage, you must **submit a new application** for owner/optional coverage.

(4) Where can I ((obtain)) get an application for owner/officer coverage, or coverage for exempt employments? There are separate applications for owner/officer optional coverage and coverage for exempt employments. To ((obtain a copy of this)) get these applications, go to <http://www.lni.wa.gov/FormPub> ((or)) contact your local labor and industries office((. We are listed in the government pages of your local directory)) or you can call ((our underwriting section)) the employer services division at 360-902-4817.