

Potential future rulemaking: fraternities and sororities

Under consideration

Amend classification 6205, Clubs Not Otherwise Classified, to include fraternities and sororities.

Reasons for rulemaking

Fraternities and sororities were reviewed due to concerns that their current classification (6509) includes care facilities.

Findings include:

- Classification 6509 includes significant risks for personal and health care that do not apply fraternities and sororities.
- The loss rate for fraternities and sororities trends lower than most other businesses in 6509.
- Injury frequency rates also trend significantly lower for fraternities and sororities, than for the other businesses classified in classification 6509.
- Including fraternities and sororities with the care type facilities found in classification 6509 is inconsistent with rating practices in other states as represented by National Council of Compensation Insurance (NCCI) coding. NCCI includes fraternities and sororities with their classification for clubs, not otherwise classified.
- Fraternity and sorority residences share facility upkeep, food services, and social and recreational risks with all types of other clubs in classification 6205.

Background

Initially at its inception in 1973, classification 6509 was used for boarding homes; it included orphanages and fraternity houses. Beginning in the early 1990s Adult Family Homes, retirement centers, dementia units, and some assisted living centers were added to classification 6509. At the same time, general boarding homes and orphanages disappeared, leaving fraternities and sororities primarily rated with care facilities.

Businesses affected by the rule change

The only stakeholders significantly impacted by the changes suggested here are fraternities and sororities. For fiscal 2015 there were 75 fraternities and sororities reporting a total of 130 FTEs. These organization will be reclassified from 6509, with a 2016 base rate \$0.8344 per hour, to classification 6205, with a 2016 base rate of \$0.5906 per hour.

Rulemaking Timeline

If the agency decides to proceed with rulemaking, the changes will become effective January 1, 2018. Note: We anticipate rates listed above may be different in 2018; however, we expect based on past trends that in 2018, 6205 will still be lower than 6509.

Staff contact

Richard Bredeson (360) 902-4985

Richard.Bredeson@Lni.wa.gov