



October 2001

L&I proposes to 'hold the line' on 2002 workers' comp rates

The Department of Labor and Industries is proposing only a 1.8 percent general rate increase for 2002 workers' compensation premiums.

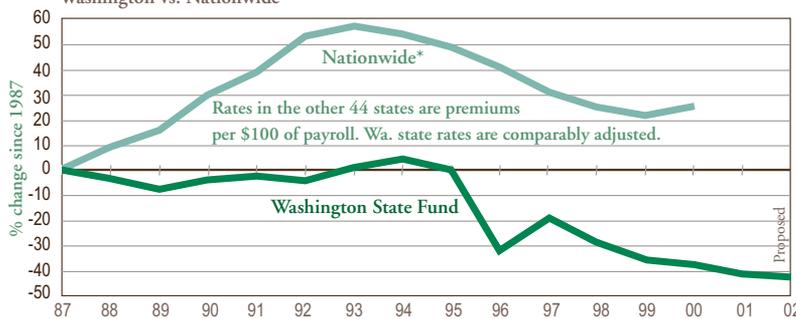
"Our workers' compensation funds remain strong," said L&I Director Gary Moore. "We've been able to hold the line on the two

benefits. These benefits are adjusted annually based on the state's average annual wage. Its premiums would increase 10 percent; affecting overall general rates 1.8 percent.

The 2002 proposal represents a \$19 million general rate increase. Since 1998 premium rate cuts and dividends have reduced workers' compensation premium costs \$489 million.

Cumulative Premium Rate Change

Washington vs. Nationwide



*Data from NCCI Annual Statistical Bulletins Omits Wa. State and other exclusive state funds.

largest funds. The only increase that's necessary will fund cost-of-living increases for those receiving time-loss and pension benefits.

Labor and Industries manages the state's workers' compensation system. It provides coverage for more than 160,000 employers and more than 2 million workers.

The workers' compensation program is made up of several funds that provide benefits when workers are hurt on the job. Both employers and workers pay workers' compensation premiums.

There would be no increase in the two largest funds. The Accident Fund, which provides wage and disability benefits. And, the Medical Aid Fund, which pays medical costs for injured workers.

The proposal would only increase premiums in the much smaller Supplemental Pension Fund. It pays cost-of-living increases for injured workers receiving time-loss or pension

A 1998 legislative performance audit of the state's workers' compensation system reported that Washington pays higher-than-average benefits to injured workers (above the 75th percentile) at lower-than-average costs for employers (below the 25th percentile).

A nationwide study by the state of Oregon last year ranked Washington as the 14th lowest for workers' compensation premium rates.

Public hearings on the rate proposal are set for:

- ▶ **Spokane**
9:30 a.m. Oct. 29
Labor and Industries, Conference Room 4
901 N. Monroe St., Suite 100
- ▶ **Tumwater**
9:30 a.m. Nov. 2
Labor and Industries, auditorium
7273 Linderson Way SW

The proposal is an average for all industry groups. Some employers may see decreases and others increases depending on their industry classification and their own claim history.

If approved, the new premiums would become effective Jan. 1, 2002.

Proposed rates by industry classification can be found on the department's website at www.LNI.wa.gov/news/2001/2002rates.htm

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Wage calculation grows more complex with Cockle decision

A Washington State Supreme Court ruling has changed the way L&I calculates wage-replacement benefits for injured workers. The January 2001 decision (Cockle v. Department of Labor and Industries) held that employer-provided health benefits must be considered part of the worker's earning capacity at the time of injury.

fact: L&I processes more than 165,000 workers' compensation claims each year.

As a result, employer-paid health-care benefits may be included in calculating an injured worker's gross wage. The time-loss compensation (wage-replacement) benefit injured workers receive while off work is based on this gross wage. The gross wage calculation can now include:

- Pre-tax earnings
- Bonuses
- Tips
- Value of any room, board, housing or fuel provided to the worker by the employer

- Employer-paid health-care benefits for the worker and family

The ruling further complicates an already-complex calculation. An injured worker's time-loss compensation benefit may be 60 to 75 percent of the gross wage up to the maximum monthly benefit, which is based on the state's average annual wage. The percentage depends on marital status and number of dependents.

The 2001 Legislature recognized the added complexity of calculating these benefits. It asked the department to look for ways that "provides greater certainty and simplicity in the calculation of benefits," and report back this month. The department is working with business and labor representatives to identify all of the issues and concerns before preparing its report to the Legislature.

For further information on the Cockle decision, visit our website at www.LNI.wa.gov/insurance/wagecalculation.htm

Core Safety Rules.....

Workplace safety rules are easy to understand and use

Ever try to read a book of government rules? Then try to understand them and put them into practice? Many Washington employers found the state's safety and health rules hard to read and understand, let alone provide them with guidance on what to do to keep their workers safe.

Labor and Industries has rewritten into plain language the basic safety and health rules that apply to most employers in the state.

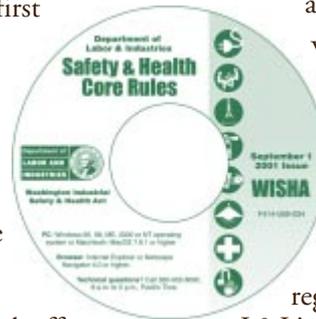
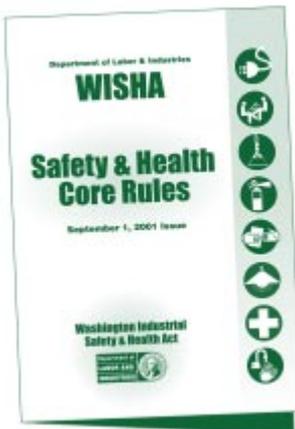
The redesign completes the first phase of an ambitious regulatory improvement project. The new rules include rewritten requirements for an Accident Prevention Program, Personal Protective Equipment, First Aid and Hazard Communication Program. The Core Rules took effect Sept. 1, 2001.

The rules contain no new requirements. Features include:

- A comprehensive table of contents and an index that make finding topics easy and fast.
- Content that is clearly written and understandable.
- Page design that is attractive and easy to follow.
- Icons that clearly mark definitions, notes and rule exemptions.

WISHA Services, a division of Labor and Industries, and a task force of business and labor representatives developed the Core Rules concept, rewrote the rules and tested their usability.

Employers have several options regarding how to obtain the new rules. L&I is encouraging employers to use the Internet version. It is available at www.LNI.wa.gov/wisha. A computer compact disk (CD) version and printed copies also are available. You can obtain the CD or printed copy by calling (360) 902-5541 or calling your local L&I office.



fact: The State of Washington was one of the first states to offer workers' compensation, putting the no-fault medical and time-loss system into place in 1911.

Ergonomics education moves ahead

Businesses across the state are taking advantage of free workshops and onsite consultations as they prepare to carry out our state's new ergonomics rule. The rule goes into effect on July 1, 2002, for large employers (50 or more employees) in the industries with the highest risk of injuries.

By July 2002, these high-risk industries need to determine if they have jobs with physical risks factors described in the rule and educate their employees. These industries include:

- Landscape and horticultural services
- General building contractors-residential buildings
- Masonry, stonework, tile setting and plastering
- Carpentry and floor work
- Roofing, siding and sheet metal
- Concrete work
- Sawmills and planing mills
- Trucking and courier service
- Air transportation, scheduled and air courier

- Grocery stores
- Nursing and personal care
- Residential care

The Department of Labor and Industries is offering "Start with the Basics," a free two-hour workshop providing a general overview of the rule. "Implementing Ergonomics for Employers," a four-hour workshop providing more specific information on how to comply, also is available free.

New workshops for construction and sawmill employers will be available this winter, with more industry-specific workshops to follow. For more information about workshops in your area or to schedule an on-site consultation please contact your local L&I office.

The rule will be implemented over the next five years, depending on the size and risk levels of the business. For more information, visit the ergonomics website: www.LNI.wa.gov/wisha/ergo



Safety and health learning...a click away

Visit WISHA University on the Internet and open up a world of computer-based information covering workplace safety and health. This single "portal" on the Department of Labor and Industries' web site takes visitors to online learning, publications and links to useful web sites within L&I and beyond.

The alphabetical topical index helps visitors quickly see what is available or find a specific topic.

"The Internet is a powerful tool we are using to link employers and workers with workplace safety and health information," said Michael Silverstein, M.D., Assistant Director, WISHA Services Division.

See some examples of offerings in the box at the right.



Online Courses

Online courses are interactive. They include questions the participant answers to gauge understanding of the material. The list of online courses continues to grow. Current offerings are:

- Safe Operation of Forklifts – Module 1
- Safe Operation of Forklifts – Module 2
- Noise Exposure at Work – the Basics
- Noise Exposure at Work – Engineering Controls
- Noise Exposure at Work – Hearing Protection
- Noise Exposure at Work – Audiometric Testing



Online Presentations

Online presentations often use a PowerPoint "slide show" format. The participant views and reads the information on the computer screen.

- An overview of Washington State's Ergonomics Rule
- Ergonomics Awareness Education
- Permanent Rule Adoption for Flaggers
- A Presentation on Forklifts and Other Powered Industrial Trucks
- Engineering Controls to Reduce Needlestick Injuries



Publications

The following are examples of publications that can be viewed on a computer or printed.

- Guarding Power Transmission Parts
- A Guide to WISHA
- Workplace Violence: Awareness and Prevention for Employers and Employers
- Sample Respiratory Protection Programs
- Lessons for Lifting and Moving Materials

www.LNI.wa.gov/wisha/ollearn/wishauniversity.htm

Number of L&I web services grows

Now employers can file and pay industrial insurance online

Filing and paying industrial insurance just got easier with *EXPRESS Filing*. The agency launched the new service last month. Employers who file on the web have the option to pay premiums with an electronic fund transfer or by paper check.



“We think the online system is easier and more convenient for employers than filing by paper,” said Kathy Kimbel, manager of L&I’s Employer Services Program. “We developed the system to give employers more control over their account.”

L&I worked with employers for more than a year to develop and test *EXPRESS Filing*.

Here’s what two employers involved in the pilot project said about it:

“It was nice having all the calculations done for you and not having to think about it again.”

Tawnia DuVall, Gemini Corporation, Olympia

“Just a note to let you know the L&I Electronic Filing Site is wonderful. Keep up the good work.”

Bertha G. Wandler, Tonasket Ready-Mix, Tonasket

Below are some of the main features of *EXPRESS Filing*:

■ **Easy and convenient**

Online forms make it easy to prepare and update reports. Automatic calculations save time and reduce errors. Business changes are easy to report.

■ **Option to pay electronically or by check**

Pay with electronic funds transfer or paper check. Change payment methods whenever you want. If you pay online, you can set the payment date any time up to the due date. Checks will be processed when received, as in the past.

■ **Control who views accounts and makes transactions**

Delegate the level of authority you want others to have for accounts, from reviewing to preparing reports to making payments.

■ **Instant access to helpful information**

Access rating information and past reports filed online, and experience factors. Read laws and other information to help file your reports.

■ **Customer support 24/7**

Questions? Click on Customer Support for online help, or E-mail or call a customer service representative anytime.

■ **Secure connection**

Secure Socket Layer (SSL) data encryption provides security for all your information.

Check out *EXPRESS Filing* for yourself. We think you’ll agree it’s easy, convenient and gives you maximum control over your account. Take our online survey and let us know how we can serve you better.



L&I is taking on the bureaucratic form letter

A major, year-long effort to rewrite L&I’s high-frequency form letters into “plain language” now is under way. The project, called “Plain Talk,” has identified more than 100 commonly used letters.

The project will affect tens of thousands of mailings each year – from annual contractor registration materials, to routine correspondence involving premium payments, to information and instructions to injured workers.

The “Plain Talk” project is one of L&I’s top priorities for the 2002 fiscal year. If you’d like to comment on the project, please write:

- ▶ Dana Botka, Plain Language Project
Department of Labor and Industries,
PO Box 44050
Olympia, WA 98504-4050

fact: L&I claims mail volume averages more than 37,000 pages a day — more than 14 feet of just claims mail!

Other L&I services on the web



At L&I's website, www.LNI.wa.gov agency customers can find information and conduct business at their convenience. The L&I website is expanding every day, and new information always is available.

Services currently available include:

Prevailing Wage Database – www.LNI.wa.gov/prevailingwage/

Find out the current hourly wage rate, by trade and county, for public works construction projects.

Prevailing Wage Intents and Affidavits – www.LNI.wa.gov/prevailingwage/pwia/ Public works contractors can file their intent and affidavit forms online using a credit card payment option.

Contractor Database – www.LNI.wa.gov/contractors/contractor.asp

Protect yourself when hiring a contractor. Find out if contractors, electricians and plumbers are licensed and bonded in Washington State as required by law.

Contractor Premium Status Information – www.LNI.wa.gov/scs/contractors/premium.htm Find out the status of a contractor's or sub-contractor's industrial insurance account.

Electrical Inspection Request System – www.LNI.wa.gov/scs/electrical/eirs.htm

Request inspections on existing electrical work permits. Save a trip to the local L&I office and get your inspections scheduled online.

Electrical Permit Purchasing System – www.LNI.wa.gov/scs/electrical/ipep.htm

Purchase residential and telecommunication electrical work permits and view contractor deposit history on line. Users must be pre-registered.

Workers' Compensation File Information – www.LNI.wa.gov/accessworkcomp/

Secured access to claim file information for legal representatives, employers, retrospective rating members, third party representatives and attending doctors. High-level digital certificate required to access system.

WISHA University – www.LNI.wa.gov/wisha/ollearn/wishauniversity.htm

A single-entry portal for knowledge on workplace safety and health, aimed at preventing fatalities, injuries and illnesses. (For more information see page 5.)

Publications – www.LNI.wa.gov/ipub/

Lists agency publications available to the public and provides links to those available online.

Forms – www.LNI.wa.gov/forms/

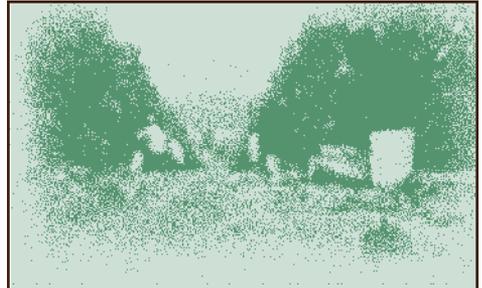
A listing of all agency forms available online. Most can be downloaded and completed.

Report Fraud – www.LNI.wa.gov/fraud/

A web site created to help educate our customers and provide a means of reporting fraud to L&I.

Ergonomics – www.LNI.wa.gov/wisha/ergo/

Ergonomics is the science and practice of designing jobs or workplaces to match the capabilities and limitations of the human body. Use this web site to find out more about ergonomics and Washington State's ergonomics rule.



Growers reduce eye and fall injuries

If the first 18 months are any indication, the Department of Labor and Industries has a winner in its Eyes and Falls Initiative being run out of its Central Washington region.

In January 2000 the region began recruiting growers in three counties to participate in a safety program designed to reduce eye injuries and falls from ladders. Eye injuries are the most common type of injury in Washington's apple orchards. Falls off ladders are the most costly.

Though the demonstration program was initiated in just a few counties, it expanded rapidly. Growers agreed to a comprehensive safety and risk management consultation, to provide eye protection, and ladder safety training. They were exempted from other types of inspections.

The early, statewide results have been impressive. Last year, eye injuries dropped by 24 percent, and in the first half of this year they are down 34 percent. Ladder injuries were down 20 percent in 2000. Through June of this year, they were down 21 percent. Claim costs for eye injuries were down 42 percent last year — 52 percent for ladder injuries.

L&I puts special focus on residential-wood-framing industry

The Department of Labor and Industries has begun a program to reduce injuries among residential framers and increase the number of framers who carry workers' compensation insurance, as required by law.



The framing industry is the focus of this new L&I initiative because it is one of the most dangerous occupations in construction. Every day, an average of 12 framers file workers' compensation claims with L&I. Many of them are falls and eye injuries. From 1996 through 2000, there were 22,350 claims involving framers, with a total cost to date (medical expenses and partial wage replacement) of nearly \$100 million.

Also, L&I data shows that many framing employers illegally do not have workers' compensation accounts with L&I.

This inequity means that employers who abide by the law are at a competitive disadvantage to those who avoid the payment. Employers who don't pay their fair share of insurance premiums, or who cut corners on safety, can underbid competitors who follow the rules. Their nonparticipation also raises the premiums of framers and their employees who follow the law and carry the financial load for the entire industry.

Currently, wood-framing employers pay an average industrial insurance premium of \$1.96 per employee per hour, compared with an average of 37 cents for all risk classes. The premium, now among the highest in the construction industry, is a reflection of the number and severity of claims from framers and the high cost of those claims.

How will L&I carry out this program?

- ✓ Increase in-the-field consultation and inspection activities with framers.
- ✓ Improve internal processes for quickly sharing information about framers. For example, a safety inspector will refer a framing company to others at L&I who audit companies for accurate reporting of workers' hours.
- ✓ Work cooperatively with employers and industry associations to address the shared interests in worker safety and reducing the premium rate.
- ✓ Provide increased assistance to general contractors, framers and others about how to reduce injuries and how to comply with workers' compensation laws

Sign up! _____

Join our news release email delivery service

Go to the L&I News Center at www.LNI.wa.gov/news/ to sign up for the latest L&I news releases delivered directly to your email in-box.



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