



## Proposed increase in workers' comp rates would average 3.7 percent

Workers' compensation premiums would increase an average of 3.7 percent next year under a proposal issued in September by the Washington Department of Labor and Industries (L&I). The increase is the lowest in three years because of higher than expected investment earnings and positive program trends.

"The increase in the average length of time-loss claims appears to be leveling off and investment earnings have improved," explained L&I Director Paul Trause.

Given these favorable trends and the continuing economic challenges facing employers and workers, Trause proposed an increase that would simply keep pace with medical inflation and increases in benefits required by law.

### Public hearings set

Beginning November 3, L&I will hold seven hearings to give the public a chance to comment on the proposed rate increase. Trause will make a final decision on rates in late November.

If adopted, the higher premium rate would cover anticipated increases in the cost of workers' compensation benefits for workers injured on the job next year and would take effect January 1, 2005.

The proposal would bring in an additional \$52 million next year. Some of that increase is a

result of a state law requiring an annual cost-of-living increase in injured workers' partial wage (time-loss) benefits and pensions, which is based on average wages statewide.

As in past years, L&I will draw down the contingency reserve to cover part of the cost of benefits, reducing the reserve by between 1 and 2 percent. Under the proposed rates, the contingency reserve is expected to be in the range of 6 to 7 percent – well within the range L&I strives for.

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**We are making substantial progress in controlling medical costs and getting injured workers back to work as soon as it is medically appropriate."**

**–L&I Director  
Paul Trause**

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**Washington is the only state where workers contribute premiums to the workers' compensation system. If this rate increase is adopted, workers next year will pay 27.6 percent of total premiums.**

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### Factors in setting rates

The 3.7 percent increase is an average for all industries and employers. Individual rates will be higher or lower based on the cost of an employer's recent claims and the frequency of claims in the risk classes in which they are reporting. The proposed average base rate for each risk class can be found at [www.LNI.wa.gov/](http://www.LNI.wa.gov/). Click on "Proposed 2005 Workers' Compensation Rates" in the lower left corner. Employers will be notified of their new rate(s) in mid-December.

Washington's workers' compensation system collects premiums in three funds. The Accident Fund is the largest and pays time-loss benefits when a worker is injured on the job and can't work. On average, that rate will go up 3 percent. The Medical Aid Fund pays for the medical treatment of job-related injuries and illnesses, and for vocational rehabilitation. That rate will go up 4.9 percent, less than medical costs generally. The Supplemental Pension Fund, which is the source

## Rate Hearings

Seven public hearings on the rate proposal have been scheduled.

They are set for:

- ▶ **Spokane**  
Wednesday, Nov. 3, 3 p.m.  
Westcoast Ridpath,  
Inland Empire Room,  
515 W. Sprague
- ▶ **Yakima**  
Thursday, Nov. 4, 3 p.m.  
Red Lion Hotel, Yakima  
Center, 607 E. Yakima Ave.
- ▶ **Mount Vernon**  
Friday, Nov. 5, 3 p.m.  
Best Western Cottentree Inn,  
Fidalgo Room,  
2401 Riverside Dr.
- ▶ **Tumwater**  
Monday, Nov. 8, 3 p.m.  
L&I auditorium,  
7273 Linderson Way S.W.
- ▶ **Tukwila**  
Tuesday, Nov. 9, 3 p.m.  
L&I Tukwila office,  
12806 Gateway Dr.
- ▶ **Tacoma**  
Wednesday, Nov. 10, 3 p.m.  
King Oscar Convention  
Center, 8820 Hosmer
- ▶ **Vancouver**  
Friday, Nov. 12, 3 p.m.  
Red Lion at the Quay,  
100 Columbia St.

**Written comments:** Written comments on the proposed rate increase need to be submitted by Monday, November 15.

Send written comments to:  
Kathy Kimbel, Employer  
Services Program Manager  
Department of Labor and  
Industries  
P.O. Box 44140  
Olympia, WA 98504-4140

Or e-mail comments to:  
[lanz235@LNI.wa.gov](mailto:lanz235@LNI.wa.gov)

of cost-of-living increases for workers receiving long-term disability payments and pensions, would increase 3 percent. Together, they add up to a 3.7 percent general premium rate increase.

### How Washington ranks

Based on a national rate study Oregon conducts every other year, Washington's rates have typically been lower than most other states. Just where they will rank next year won't be known until other states set their rates.

Washington's workers' compensation system provides coverage for about 160,000 employers and 1.9 million workers – 70 percent of the state's labor force. Self-insured companies cover another 800,000 workers.

In addition to providing benefits to injured workers, the workers' compensation system protects employers from the cost of extended claims and from tort lawsuits that would otherwise result from workplace injuries.

## Basic steps to a safe workplace

The Department of Labor and Industries' web site provides many resources for employers who want to comply with workplace safety requirements and improve workplace safety.

For more information about these basic steps, visit [www.LNI.wa.gov/Safety/Basics/Steps](http://www.LNI.wa.gov/Safety/Basics/Steps) or call your local L&I office and ask to speak to a safety consultant.

### Step 1:

Follow the workplace safety and health "core rules." They are the basic rules most employers need.

### Step 2:

Build a safety program.

### Step 3:

Be sure to display the three required L&I posters available online at [www.LNI.wa.gov/IPUB/101-054-000.asp](http://www.LNI.wa.gov/IPUB/101-054-000.asp) or call your local L&I office.

### Step 4:

Find other rules that apply to your workplace. For example, there are specific rules covering the hazards of working in confined spaces.

### Step 5:

Determine whether other program requirements apply to your workplace.

### Step 6:

Get any required L&I certifications and licenses. For example: contractor registration, asbestos removal or explosives.

### Step 7:

If needed, request an onsite consultation or other assistance from Labor and Industries.

## Lower workers' comp premiums tied to workplace safety

A few years ago, an L&I safety consultant at a work site noticed several workers not wearing eye protection. He asked why they weren't wearing safety glasses and was told it was hard to get workers to wear them because they fogged up and were uncomfortable.

"What would you do if a worker stole one of your saws?" asked the L&I consultant.

"I'd fire him," came the reply.

"Well, if that worker loses an eye, it's going to cost you a whole lot more than a power tool," responded the consultant.

Two factors influence the rate an employer pays for industrial insurance\* coverage: the level of risk in the industry as a whole and the employer's experience factor, which relates to recent claims history. Employers currently paying higher-than-average rates for their industry can reduce them by preventing future injuries through good safety practices.

For the record, the current permanent partial disability award for a lost eye is \$37,087.18. That amount doesn't include the medical and partial wage-replacement (time-loss) benefits that would have been paid during the worker's recovery.

The facts about safety glasses: Carefully selected and fitted properly, they don't fog up and they're reasonably comfortable (definitely more comfortable than debris in the eye).

Here are three examples that illustrate – in dollars and cents – how companies that focus on safety and prevent injuries pay less for their coverage.

### Residential wood-framing

Companies reporting in Risk Class 0510 are paying between 80 cents and \$5.97 per worker hour.

### Logging companies

Companies reporting in Risk Class 5001 are paying between \$4.19 and \$16.58 per worker hour.

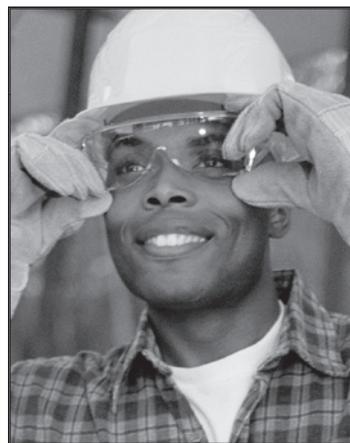
### Orchardists

Companies reporting in Risk Class 480302 are paying between 29 cents and 84 cents per worker hour.

A claim stays on an employer's record for three rating years. No matter how serious or costly the injury, a claim only

impacts an employer's premiums for that period of time. Emphasize safety and reduce injuries, and a bad experience factor can turn around.

\* The terms "workers' compensation" and "industrial insurance" are used interchangeably.



# 2005 Proposed Rates

## Washington State Fund

RISK CLASS	FY03			% Rate Change	Per FTE		RISK CLASS	FY03			% Rate Change	Per FTE	
	FTE's	Composite Base Rates Current	Composite Base Rates 2005		Costs or (Savings) Employee	Costs or (Savings) Employer		FTE's	Composite Base Rates Current	Composite Base Rates 2005		Costs or (Savings) Employee	Costs or (Savings) Employer
ALL CLASSIFICATIONS	1,487,833	0.5636	0.5845	3.7%	12	28	UTILITIES AND COMMUNICATIONS	18,523	0.3976	0.4086	3%	6	15
MISCELLANEOUS CONSTRUCTION	28,827	1.8499	1.8853	2%	18	50	1301 Electric Power Plants	1,710	1.1962	1.2440	4%	15	77
0101 Excavation and Grading, N.O.C.	5,722	2.4277	2.4412	1%	23	3	1303 Telephone Companies - All Other Employees, N.O.C.	1,486	0.4798	0.4687	(2%)	1	(23)
0103 Drilling and Geophysical Exploration, N.O.C.	428	2.8511	2.8941	2%	17	65	1304 Telephone Companies - Office and Administrative Staff	5,040	0.1156	0.1215	5%	3	8
0104 Dredging, N.O.C.	7	1.7459	1.7653	1%	4	33	1305 TV Cable Companies - All Other Employees, N.O.C.	847	0.7210	0.7701	7%	24	71
0105 Fence Erection, N.O.C.	668	2.4781	2.5155	2%	10	61	1507 Waterworks Operations, Repair and Maintenance	1,247	0.9490	0.9674	2%	15	20
0107 Underground Utility Line Const. and Pipelaying, N.O.C.	3,054	2.0581	2.2176	8%	43	263	3408 Natural Gas Companies	534	0.3565	0.3769	6%	12	28
0108 Sewer and Septic System Construction	2,433	1.7459	1.7653	1%	4	33	4103 Newspaper Publishing	1,160	0.8483	0.8703	3%	12	30
0112 Sand and Gravel Production including Dealers	1,391	1.3099	1.4391	10%	65	184	4501 Radio or Television - Field Employees	325	0.4095	0.4275	4%	17	18
0201 Bridge, Bulkhead and Tunnel Construction	297	4.2555	4.1081	(3%)	(86)	(197)	4502 Radio or Television - All Other Employees	6,173	0.1492	0.1496	0%	2	(1)
0202 Pile Driving with Water Hazard	65	5.8955	5.6186	(5%)	(6)	(526)	FOREST PRODUCTS	21,357	1.7281	1.7593	2%	25	35
0210 Asphalt Paving - Streets and Roads	615	2.2029	2.1496	(2%)	5	(108)	1002 Sawmills and Automated Shake and Shingle Mills	2,901	1.8777	1.8426	(2%)	2	(69)
0212 Asphalt Paving, N.O.C.	395	2.0399	2.2401	10%	82	302	1003 Pole Yards	301	1.5476	1.5129	(2%)	(11)	(56)
0214 Concrete Work - Streets and Roads	674	2.2450	2.2830	2%	19	54	1004 Log Storage or Sorting Yards	112	0.9313	0.9520	2%	9	30
0217 Concrete Work - Foundations and Sidewalks	3,921	2.0727	2.0948	1%	15	27	1005 Shake and Shingle Mills - Non-automated	5	12.8718	13.9488	8%	475	1,593
0219 Guardrails, Street Signs and Traffic Lights Installation	478	1.9071	1.7747	(7%)	(56)	(199)	2401 Pulp and Paper Goods Manufacturing, N.O.C.	2,074	0.8609	0.9082	5%	20	71
0403 Sign Erection	164	2.9761	3.1094	4%	57	199	2903 Wood Products Manufacturing, N.O.C.	6,490	1.2418	1.3010	5%	24	89
0508 Structural Steel Erection - Towers, Tanks, and Cranes	302	3.5796	3.4759	(3%)	(4)	(196)	2904 Plywood and Veneer Manufacturing	603	1.3105	1.3874	6%	46	102
0509 Overhead Power and Transmission Line Construction	372	2.7431	2.5983	(5%)	10	(288)	2905 Furniture and Casket Manufacturing - Wood	807	1.0510	1.1229	7%	38	100
0701 Dam Construction	19	3.4396	3.4601	1%	14	26	2907 Cabinet and Countertop Manufacturing - Wood	4,031	0.9765	1.0112	4%	23	43
1702 Underground Mines	45	3.3958	3.5809	5%	51	304	2909 Woodenware Products Manufacturing	207	0.7964	0.7821	(2%)	0	(27)
1703 Surface Mines	658	1.4984	1.6003	7%	36	160	5001 Logging Operations, N.O.C.	1,137	8.2458	8.2055	0%	88	(166)
1704 Quarries	507	1.6674	1.6913	1%	36	10	5002 Log Booming and Rafting	0	1.0993	1.1319	3%	19	44
3506 Mobile Crane and Hoisting Services	452	1.9504	1.9703	1%	25	14	5003 Log Hauling	966	3.1134	3.2909	6%	86	255
4900 Construction Project or Site Superintendent/Manager	2,479	0.7001	0.7192	3%	1	36	5004 Forestry and Timberland Services - Manual Labor	484	1.8953	1.7785	(6%)	(28)	(197)
5206 Construction or Logging Contractors - Permanent Yard	3,681	0.7001	0.7192	3%	1	36	5005 Mechanized Logging	630	1.1992	1.0993	(8%)	(22)	(169)
BUILDING CONSTRUCTION AND TRADES	85,632	2.0191	2.0833	3%	31	93	5006 Forestry/Timberland Services - Machine Operations	100	3.0021	2.9242	(3%)	(15)	(134)
0301 Landscape Construction and Renovation	3,443	1.0594	1.0936	3%	22	44	6902 Log Road Construction	508	1.7420	1.8382	6%	47	138
0302 Masonry Construction	1,570	3.2938	3.2430	(2%)	23	(121)	AGRICULTURE	47,642	0.5979	0.6312	6%	23	41
0303 Plastering, Stuccoing and Lathing: Buildings	462	3.1790	3.1980	1%	12	25	4802 Vegetable Farms-Machine Harvest	4,257	0.5081	0.5475	8%	21	55
0306 Plumbing	6,194	1.8169	1.8729	3%	25	83	4803 Orchards	21,709	0.5125	0.5518	8%	27	48
0307 HVAC Systems - Installation, Service and Repair	5,489	1.6452	1.7207	5%	36	109	4804 Poultry Farms	472	1.0605	1.0617	0%	8	(6)
0308 Lawn Care Maintenance	4,837	1.0253	1.0263	0%	14	(13)	4805 Nurseries	3,569	0.5571	0.5960	7%	20	54
0502 Floor Covering Installation	1,536	2.6718	2.6205	(2%)	10	(108)	4806 Berry Picking	799	0.1671	0.1753	5%	4	11
0504 Painting: Building and Structures - Exterior Work	2,800	2.2807	2.2992	1%	22	14	4808 Diversified Field Crops	4,457	0.9055	0.9247	2%	10	27
0507 Roof Work - Construction and Repair	2,284	5.1396	5.0631	(1%)	24	(170)	4809 Greenhouses	1,619	0.7334	0.7697	5%	24	46
0510 Wood Frame Building Construction	11,310	2.7230	2.7970	3%	40	103	4810 Vegetable Farms-Hand Harvest	2,440	0.3303	0.3397	3%	7	11
0511 Glass Installation: Buildings	1,262	2.9538	2.9267	(1%)	24	(76)	4811 Hop and Mint Farms	1,346	0.5196	0.5442	5%	14	33
0512 Insulation Installation and Asbestos Abatement Work	1,551	2.2684	2.5452	12%	58	473	4812 Fish Hatcheries	148	0.7172	0.7854	10%	38	93
0513 Interior Finish Carpentry	4,730	1.5970	1.6120	1%	13	16	4813 Vineyards	2,268	0.3614	0.3720	3%	12	8
0514 Garage Door Installation	407	2.8430	3.2240	13%	129	602	7301 Dairy Farms	3,356	0.9168	0.9353	2%	24	11
0516 Carpentry, N.O.C.	4,919	2.7230	2.7970	3%	40	103	7302 Livestock Farms	1,021	1.6221	1.7514	8%	90	158
0517 Factory Built Home Set-up by Contractor/Manufacturer	143	2.8450	2.9912	5%	44	237	7307 Christmas Tree Farms	179	1.0284	0.9959	(3%)	(9)	(53)
0518 Non Wood Frame Building Construction	5,092	2.8414	3.0005	6%	54	252	FOOD PROCESSING AND MANUFACTURING	28,537	0.8804	0.9222	5%	23	57
0519 Sheet Metal Siding, Gutter and Downspout Installation	678	3.0916	3.6013	16%	173	805	2101 Grain, Feed and Flour Mills	1,510	1.3274	1.2916	(3%)	1	(70)
0521 Painting: Buildings - Interior Work	2,439	1.2159	1.0848	(11%)	(34)	(218)	2104 Fruit and Vegetable Packing-Fresh	11,433	0.6376	0.6808	7%	24	59
0601 Electrical Wiring: Buildings and Structures	10,147	1.1043	1.1784	7%	26	117	3304 Meat, Fish and Poultry Dealers - Wholesale	4,390	1.0059	0.9996	(1%)	12	(24)
0602 Elevator Installation, Service and Repair	522	1.2121	1.3085	8%	17	168	3702 Breweries, Wineries and Beverage Bottling	1,246	0.8375	0.8685	4%	16	43
0603 Machinery Installation, Service and Repair	3,101	1.7774	1.8507	4%	21	120	3902 Fruit/Vegetable Canneries/Food Product Mfg, N.O.C.	5,042	0.8835	0.9809	11%	35	152
0606 Vending Machine Installation, Service and Repair	1,047	0.8694	0.9814	13%	41	174	3903 Sugar Refining	0	2.0982	2.0787	(1%)	14	(52)
0607 Household Appliance Installation, Service and Repair	3,572	0.8088	0.8906	10%	33	124	3906 Bakeries - Wholesale, N.O.C.	2,703	0.9600	0.9746	2%	16	12
0608 Telephone and Electrical Alarm System Installation	3,196	0.6853	0.7442	9%	22	91	4002 Dairy Products Manufacturing, N.O.C.	379	2.2733	2.4717	9%	80	301
The following rates are per sq. ft. of wallboard installed							4301 Meat Products Mfg./ Slaughter and Packing Houses	1,316	1.2688	1.3015	3%	6	57
0540 Wallboard Installation - Discounted Rate	1,008	0.0384	0.0413	8%	132	564	4302 Custom Meat Cutting	133	1.1188	1.2145	9%	48	136
0541 Wallboard Taping - Discounted Rate	1,103	0.0209	0.0219	5%	24	216	4304 Feed Lots and Stock Yards	386	1.6610	1.8713	13%	110	294
0550 Wallboard Installation - Undiscounted Rate	405	0.0522	0.0525	1%	60	12							
0551 Wallboard Taping - Undiscounted Rate	385	0.0282	0.0295	5%	48	264							

RISK CLASS	FY03			Per FTE	
	FTE's	Composite Base Rates Current	2005	% Rate Change	Costs or (Savings) Employee

RISK CLASS	FY03			Per FTE	
	FTE's	Composite Base Rates Current	2005	% Rate Change	Costs or (Savings) Employee

METAL AND MACHINERY MANUFACTURING

1701 Ore Reduction	0	1.6674	1.6913	1%	36	10
1801 Lead Smelting, Rolling Mills and Metal Recovery	108	1.0587	1.0362	(2%)	2	(45)
1802 Aluminum Smelting	19	1.1843	1.2563	6%	25	113
3402 Machine Shops and Machinery Mfg., N.O.C.	11,328	0.9651	1.0043	4%	21	55
3403 Aircraft Manufacturing	124	0.4260	0.4347	2%	7	10
3404 Metal Goods Manufacturing, N.O.C. - Under 9 Gauge	7,614	0.9845	0.9988	1%	11	16
3405 Aircraft Parts Manufacturing, N.O.C.	3,002	0.6056	0.6189	2%	8	18
3603 Electroplating and Detinning, N.O.C.	1,057	0.8972	0.8878	(1%)	6	(24)
3604 Galvanizing or Tinning, N.O.C.	94	1.5724	1.5234	(3%)	(15)	(79)
3605 Truck Manufacturing	0	0.9648	0.9974	3%	18	45
5101 Pipe Manufacturing - Iron or Steel	102	1.7061	1.7156	1%	18	1
5103 Foundries, N.O.C.	1,199	1.4298	1.4158	(1%)	0	(27)
5106 Blacksmithing and Forging Works	57	1.4298	1.4158	(1%)	0	(27)
5108 Cable or Wire Rope Manufacturing	170	1.7309	1.7488	1%	19	16
5109 Heavy Machinery Manufacturing	1,487	1.2222	1.1978	(2%)	8	(55)
5201 Electric Equipment Manufacturing	504	0.8075	0.8479	5%	17	60
5204 Railroad Car Manufacturing	360	1.7008	1.7625	4%	18	100
5208 Iron Works - Shop	1,686	1.5984	1.6577	4%	35	79
5209 Metal Goods Manufacturing, N.O.C. - 9 Gauge or More	1,743	1.4915	1.4668	(2%)	(5)	(43)

MISCELLANEOUS MANUFACTURING

0901 Shipbuilding or Repair, N.O.C.	17	2.8414	3.0005	6%	54	252
2906 Pattern or Model Manufacturing; Wood Instrument Mfg.	388	0.6828	0.6922	1%	9	9
2908 Factory Built Housing Manufacturing	292	1.8371	1.8817	2%	(3)	89
3102 Rock Wool Insulation Manufacturing	5	0.5792	0.5921	2%	13	12
3103 Cement Manufacturing	239	1.0542	1.0766	2%	12	31
3104 Stone Cutting and Monument Dealers	668	1.1337	1.0985	(3%)	(9)	(58)
3105 Concrete Products Manufacturing	1,122	1.4132	1.4637	4%	9	88
3501 Brick or Clay Product Manufacturing, N.O.C.	14	1.8029	1.9134	6%	61	151
3503 Pottery and Glass Products Manufacturing, N.O.C.	1,062	0.6374	0.6412	1%	12	(4)
3509 Statuary and Ornament Manufacturing	65	0.7919	0.8171	3%	17	32
3510 Plastic Products Manufacturing	6,428	0.7256	0.7603	5%	12	54
3511 Fiberglass Products Manufacturing, N.O.C.	1,252	1.2875	1.3699	6%	36	122
3512 Plastic - Cutting, Bending and Milling	2,218	0.6660	0.6807	2%	16	12
3513 Rubber Goods Manufacturing, N.O.C.	104	0.9387	0.9216	(2%)	(2)	(30)
3602 Electronic Products and Jewelry Mfg/ Dental Labs	11,128	0.2849	0.3002	5%	7	22
3701 Chemical Mixing and Manufacturing	3,104	0.5792	0.5921	2%	13	12
3708 Textile Goods Manufacturing, N.O.C.	1,381	1.1464	1.1968	4%	28	69
3802 Garments and Handbag Manufacturing	4,226	0.3733	0.3940	6%	10	30
3808 Upholstery Work, N.O.C.	596	0.8348	0.8503	2%	2	28
4101 Printing Services	4,697	0.5611	0.5809	4%	10	29
4601 Explosives Manufacturing	20	1.3182	1.3768	4%	28	85
6604 Optical Goods Manufacturing	990	0.1954	0.2242	15%	13	42
6908 Paper Products Manufacturing	1,187	0.9566	0.9707	1%	5	22

TRANSPORTATION AND WAREHOUSING

1101 Parcel and Package Delivery Service	8,971	1.2146	1.2907	6%	30	116
1102 Trucking, N.O.C.	8,738	2.2685	2.3304	3%	28	91
1105 Septic Tank Pumping and Street Sweeping Services	796	1.8013	1.7470	(3%)	(22)	(82)
1109 Auto Towing Services	705	2.2290	2.5040	12%	125	403
1401 Taxi Cab Companies	153	0.9669	0.9435	(2%)	(2)	(43)
1404 Cabulance and Paratransit	767	1.2485	1.3090	5%	29	87
1405 Ambulance Services	488	0.8970	0.9921	11%	39	144
1407 Bus Companies	1,638	1.2485	1.3090	5%	29	87
2002 Freight Handling Services	1,678	1.3441	1.3626	1%	20	15
2007 Grain, Bean and Pea Elevators or Warehouses	387	0.8240	0.8598	4%	16	53
2008 Field Bonded Warehouses	43	0.6343	0.6432	1%	7	10
2102 Warehouses, N.O.C., Grocery Dist. and Recycle Centers	3,219	1.0107	1.0949	8%	37	124
2105 Beer, Wine, and Soft Drink Distributors	2,827	1.1599	1.1237	(3%)	(13)	(56)
4305 Solid Waste Collection Services/Landfill Operations	2,094	2.0984	2.1490	2%	32	65
4404 Cold Storage Warehouse	792	0.9706	1.0351	7%	29	95
6801 Scheduled Airlines - Flight Crew	172	1.0083	1.1256	12%	48	177
6802 Scheduled Airlines - Ground Crew	1,623	0.8225	0.8254	0%	0	5
6803 Non Scheduled Airlines - Flight Crew	306	1.5222	1.5735	3%	12	87

TRANSPORTATION AND WAREHOUSING (continued)

6804 Non Scheduled Airlines - Ground Crew	2,808	0.5359	0.5884	10%	17	84
6903 Aerial Spraying, Seeding and Crop Dusting	8	13.5415	13.0987	(3%)	(82)	(768)
6907 Moving and Storage Companies	1,461	2.0780	2.1932	6%	68	153

DEALERS AND WHOLESALERS

0604 Scrap Metal Dealers and Processors	326	1.7084	1.7733	4%	27	98
1103 Solid Fuel, Topsoil, Firewood and Pallet Dealers	764	1.9874	2.1416	8%	81	215
1104 Auto Wrecking	967	0.9970	1.0256	3%	12	43
1106 Tool Rental Stores	1,037	0.7022	0.6942	(1%)	1	(17)
1108 Glass Merchants	1,529	1.1380	1.1772	3%	20	55
2004 Iron and Steel Merchants	940	1.5282	1.6525	8%	39	200
2009 Lumber Yards and Building Material Dealers	6,143	0.7040	0.7682	9%	30	94
2106 Fertilizer Dealers	979	0.8429	0.8480	1%	7	2
3101 Redi-mix Concrete Dealers	1,296	1.7767	1.8029	1%	27	23
3309 Motorcycle Dealers	828	0.8176	0.8307	2%	6	19
3407 Gas or Oil Dealers	2,164	1.1961	1.2671	6%	51	85
4401 Cold Storage Lockers	169	0.7707	0.7714	0%	3	(2)
4402 Ice Dealers	68	1.4526	1.5660	8%	77	141
6405 Tire Sales and Service Centers	2,460	1.0737	1.1315	5%	17	94
6407 Wholesale Stores, N.O.C.	7,741	0.5502	0.5804	5%	16	42
6408 Farm Machinery Dealers	778	0.7490	0.7664	2%	9	24
6409 Machinery and Machinery Dealers, N.O.C.	4,051	1.4737	1.6215	10%	56	228
6410 Janitorial Supply Dealers	309	0.5317	0.5819	9%	25	71
6603 Auction Sales	931	0.6641	0.6637	0%	7	(7)

STORES

3303 Meat, Fish and Poultry Dealers - Retail	418	0.8118	0.8489	5%	13	58
3410 Convenience Grocery Store - with Self Service Gas	8,089	0.5251	0.5611	7%	18	51
3901 Bakeries - Retail	2,182	0.3576	0.3741	5%	10	22
6304 Department Stores	3,068	0.6714	0.7852	17%	55	164
6305 Clothing and Shoe Stores	11,042	0.2511	0.2509	0%	3	(4)
6306 Furniture Stores	8,780	0.6121	0.6762	10%	26	97
6308 Jewelry Stores	3,468	0.1751	0.1854	6%	5	15
6309 Hardware, Auto Parts and Sporting Good Stores	21,460	0.3866	0.4037	4%	9	23
6402 Supermarkets	10,382	0.6140	0.6193	1%	10	0
6403 Convenience Grocery Stores - No Gas	6,669	0.3455	0.3596	4%	11	16
6404 Florists	2,400	0.4208	0.4585	9%	15	58
6406 Retail Stores, N.O.C.	31,135	0.2519	0.2739	9%	12	31
6504 Charitable and Welfare Stores	1,153	0.7801	0.8168	5%	23	48
6506 Photography Studios and Film Print Shops	2,491	0.2466	0.2642	7%	10	24

MISC. PROFESSIONAL AND CLERICAL

1007 Grading, Inspection Bureaus/Forestry Services, N.O.C.	1,496	0.6791	0.7390	9%	21	94
4107 Business Machines- Installation, Service and Repair	5,529	0.3488	0.3700	6%	14	27
4108 Mailing Services	943	0.3281	0.3291	0%	3	(1)
4109 Sign Painting - In Shop and Buildings	300	0.4562	0.4562	0%	(2)	2
4901 Consulting Engineers and Architectural Services	15,462	0.2009	0.2142	7%	6	19
4903 Insurance Inspection Services	428	0.2742	0.3326	21%	26	86
4904 Clerical Office, N.O.C.	212,108	0.1252	0.1306	4%	4	7
5301 Accounting, Law and Service Companies	51,089	0.1269	0.1322	4%	4	6
5302 Software Design & Engineering and Internet Service Providers	9,962	0.1269	0.1151	(9%)	(5)	(18)
6107 Veterinary Services	4,076	0.3058	0.3276	7%	14	28
6301 Sales Personnel - Vehicles and Boats	9,753	0.2905	0.2926	1%	1	3
6302 Door to Door Sales	98	0.3633	0.3737	3%	6	14
6303 Sales Personnel - Outside, N.O.C.	62,822	0.1943	0.2036	5%	5	13
6501 Barbers, Beauty Salons and Tanning Parlors	7,412	0.3613	0.3789	5%	12	22
6502 Banks and Financial Institutions	43,777	0.1361	0.1461	7%	5	14
6503 Labor Unions	1,318	0.2009	0.2055	2%	3	6
6601 Detective Agencies	5,624	0.4085	0.4158	2%	9	5
6605 Actors, Entertainers and Musicians, N.O.C.	454	0.5769	0.6318	10%	16	89
6608 Motion Picture Production	186	1.0562	1.0347	(2%)	(5)	(36)
6620 Entertainers and Dancers	25	8.1501	8.5121	4%	158	537
6909 Medical and Testing Labs/Blood Banks	8,723	0.2755	0.2820	2%	6	6
7100 Exempt limited liability members N.O.C.	99	0.1284	0.1322	3%	3	4
7101 Executive Officers, N.O.C.	3,434	0.1171	0.1179	1%	2	0
7202 Real Estate Agencies	18,593	0.1398	0.1435	3%	3	4

RISK CLASS	FY03 FTE's	COMPOSITE BASE RATES			Per FTE COSTS or (SAVINGS)	
		Current	2005	% Rate Change	Employee	Employer

MISCELLANEOUS SERVICES	228,155	0.5371	0.5599	4%	13	30
2201 Laundry and Dry Cleaning Services	1,516	0.5223	0.5229	0%	5	(4)
2202 Carpet Cleaning	591	1.3210	1.3260	0%	10	0
2203 Laundries - Commercial	1,477	0.9215	0.9696	5%	17	75
2204 Laundries - Coin Operated	197	0.5223	0.5229	0%	5	(4)
3406 Gas Stations-Full Service, Car Washes and Detailers	4,329	0.4521	0.4561	1%	8	(1)
3409 Gas Stations-Self Service - No Groceries	146	0.3470	0.3881	12%	23	56
3411 Automobile Dealers, Rentals and Service Shops	18,714	0.8831	0.9217	4%	21	53
3412 Automobile Body Repair Centers	4,081	1.0014	1.0216	2%	6	33
3414 Boat Dealers, Marinas and Boat Houses	1,082	1.0128	1.0544	4%	16	64
3415 Factory Built Housing Dealers	363	1.3491	1.4253	6%	30	116
3905 Restaurants and Taverns	103,968	0.3576	0.3741	5%	10	22
3909 Catering Services	1,349	0.5563	0.5695	2%	12	13
4504 Movie and Live Theatres	2,847	0.2691	0.2873	7%	13	22
4905 Motels and Hotels	9,636	0.6589	0.7025	7%	23	61
4910 Property and Building Management Services	13,969	0.8109	0.8556	6%	18	68
5207 Bowling Centers and Skating Rinks	2,130	0.3671	0.3955	8%	20	34
6201 Mortuaries	512	0.6839	0.6651	(3%)	(2)	(34)
6202 Cemeteries	326	1.2064	1.2491	4%	25	57
6203 YMCA, YWCA, Boys and Girls Clubs	2,587	0.2441	0.2603	7%	10	21
6204 Health Clubs and Exercise Facilities	3,412	0.3221	0.3194	(1%)	5	(10)
6205 Fraternal Clubs	4,153	0.5111	0.5234	2%	13	10
6206 Golf Courses	2,217	0.4597	0.4766	4%	11	21
6207 Carnivals	85	2.0829	2.0174	(3%)	(22)	(104)
6208 Amusement Parks	1,503	0.4953	0.5145	4%	12	25
6209 Campgrounds	2,124	0.5739	0.6294	10%	31	75
6509 Boarding Homes and Retirement Centers	18,777	0.7123	0.7376	4%	20	29
6510 Domestic Servants	1,283	0.8761	0.9334	7%	19	91
6511 Chore Services	4,620	0.6228	0.6170	(1%)	(3)	(8)
6602 Janitorial Services	8,314	0.8157	0.8534	5%	22	50
6607 Card Rooms, Bingo Parlors and Recreational Centers	3,732	0.4000	0.3868	(3%)	(4)	(21)
6704 Parking Lot Operations	1,168	0.3603	0.3786	5%	5	30
6705 Ski Facilities	522	1.5919	1.7076	7%	96	126
6706 Sports Facilities-Operations	100	0.6841	0.6716	(2%)	(5)	(19)
6707 Professional Hockey /Contact Sports, N.O.C.	8	5.0564	6.1848	22%	607	1,560
6708 Auto and Boat Racing Drivers-Ten hours per race/heat	0	14.8834	15.3449	3%	338	548
6709 Sheltered Workshops	3,171	0.5654	0.6022	7%	21	50
6809 Baseball, Basketball and Soccer Teams	25	9.2673	9.0716	(2%)	34	(409)
7102 Football Teams - NFL	0	7.5627	7.8301	4%	204	310
7203 Community Service Workers	470	0.2993	0.3109	4%	9	14
7204 Preferred Workers	622	0.0720	0.0742	3%	2	2
7308 Pet Grooming/Boarding Services/Animal Shelters	1,479	0.5735	0.6052	6%	15	46
7309 Work Activity Centers	545	0.5654	0.6022	7%	21	50
HEALTH CARE	79,876	0.3945	0.4107	4%	11	20
6105 Hospitals	1,587	0.5742	0.6603	15%	37	128
6108 Nursing Homes	17,520	0.8342	0.8560	3%	20	22
6109 Physicians and Medical Clinics	58,207	0.2330	0.2402	3%	5	9
6110 Home Health Services and Nursing Care, N.O.C.	2,562	0.9463	1.0838	15%	65	199
GOVERNMENT AND SCHOOLS	202,012	0.4045	0.4156	3%	8	14
0803 Cities-All Other Employees, N.O.C.	4,447	0.8995	0.9257	3%	19	31
1501 County and Tribal Councils-All Other Employees,N.O.C.	5,492	1.0457	1.0406	0%	9	(19)
4201 Port Districts	533	1.1634	1.2580	8%	53	129
4902 State Government - Office and Administrative Employees	35,912	0.2425	0.2513	4%	6	11
4906 Colleges and Universities	59,491	0.2426	0.2523	4%	6	13
4907 Inmates - Prison Industries	1,116	0.1566	0.1660	6%	6	12
4908 Inmates - Adult Camps	383	0.3133	0.3196	2%	7	5
4909 Inmates - Juvenile Camps	27	0.1787	0.1833	3%	4	5
5305 Cities - Office and Administrative Employees	4,635	0.1760	0.1753	0%	2	(4)
5306 Counties - Office and Administrative Employees	10,278	0.1805	0.1861	3%	7	4
5307 State Government - All Other Employees, N.O.C.	11,385	0.8851	0.9447	7%	29	85
6103 Schools, Churches and Day Care - Prof./Clerical Staff	40,903	0.2191	0.2270	4%	6	9
6104 Schools, Churches and Day Care-All Other Staff	5,843	0.7539	0.7605	1%	12	1
6505 Welfare Special Works Programs	1,656	0.2552	0.2726	7%	11	22
6901 Volunteers	2,601	0.0691	0.0733	6%	4	4
6904 County and City Fire fighters - Salaried	3,706	0.8606	0.7824	(9%)	(30)	(120)
6905 County and City Law Enforcement Officers	3,423	0.7615	0.7527	(1%)	8	(24)
6906 Volunteer Law Enforcement Officers	44	0.2414	0.2870	19%	44	44
7103 State Government - Law Enforcement Officers	5,855	0.9880	1.0496	6%	25	94
7201 State Health Care Facilities	4,284	2.2406	2.2476	0%	7	7

RISK CLASS	FY03 FTE's	COMPOSITE BASE RATES			Per FTE COSTS or (SAVINGS)	
		Current	2005	% Rate Change	Employee	Employer

TEMPORARY HELP	25,814	0.5292	0.5494	4%	10	29
7104 Temporary Help - Administrative Staff	2,485	0.1228	0.1291	5%	4	8
7105 Temporary Help - Office Services	10,679	0.1238	0.1302	5%	4	8
7106 Temporary Help - Retail Store Services	474	0.4098	0.4251	4%	15	15
7107 Temporary Help - Food Services	205	0.5032	0.4895	(3%)	(1)	(25)
7108 Temporary Help - Warehousing Services	2,231	0.4349	0.4445	2%	5	14
7109 Temporary Help - Light Assembly Work	1,227	0.3266	0.3192	(2%)	0	(14)
7110 Temporary Help - Field Technical Services	396	0.7530	0.7035	(7%)	(11)	(84)
7111 Temporary Help - Health Care Services	2,730	0.7667	0.7795	2%	1	24
7112 Temporary Help - Agricultural Services	87	1.1449	1.1949	4%	35	61
7113 Temporary Help - Maintenance Services	806	0.7802	0.7519	(4%)	(6)	(48)
7114 Temporary Help - Assembly Work, N.O.C.	1,730	1.1913	1.1783	(1%)	(4)	(21)
7115 Temporary Help - Food Processing Services	655	1.0737	1.1278	5%	36	68
7116 Temporary Help - Logging Services	274	1.1666	1.3276	14%	67	242
7117 Temporary Help - Machine Operators	888	2.3979	2.6142	9%	99	316
7118 Temporary Help - Construction Services	731	2.0922	2.3172	11%	84	348
7119 Temporary Help - Vehicle Operations	214	2.3210	2.3617	2%	23	55
7120 Temporary Help - Hazardous Waste Services	0	10.4688	10.9458	5%	188	728
7121 Temporary Help - Logging Services	0	9.9617	10.2660	3%	177	407
7122 Temporary Help - Laborers for Manufacturing/Processing	0	1.1913	1.1783	(1%)	(4)	(21)

Base rates are before application of experience factors

One F.T.E.= 1,920 hours reported

Additional Costs /(Savings) due to the rate change in \$ per FTE is shown at an experience factor = 1.000

Class base rate changes are rounded to the nearest whole percentage point change

N.O.C. means "not otherwise classified"

Mfg means "manufacturing"

\*See Workers' Compensation Underwriting Manual for complete class descriptions.

## Fraud detection work nets results

In the fiscal year that ended June 30, 2004, the Department of Labor and Industries (L&I) identified and collected \$4.5 million in previously unreported industrial insurance premiums in the construction industry. The dollars netted through this tax discovery initiative represented a 42 percent increase over the average amount of money identified and recovered from contractors during the three previous years.

The Tax Discovery Initiative is one of L&I's early successes in its effort to combat fraud and abuse in the workers' compensation system.

**Report fraud at  
L&I's toll-free  
hotline:  
1-888-811-5974.**

This year also brought passage of HB 3188, which granted L&I some broad new authority to combat fraud and abuse by workers, employers and health-care providers. The department has begun to implement provisions that closed loopholes that made it possible for companies, partnerships, limited liability corporations and their officers and managers to avoid industrial insurance premiums by closing and transferring the assets to a new business.

**Fraud** ▶ continued on page 7



## Controlling workers' compensation costs

# Return to work: Good for workers and employers

The unthinkable happens. One of your employees is injured on the job and faces a lengthy recovery. You're concerned about your employee and you're concerned about your business – and the cost of your workers' compensation insurance.

Workers' comp claims involving time off work can drive up your rates. However, for the vast majority of these claims, steps taken early in the claims process can speed a worker's recovery and reduce claims costs.

It is just good business to know about return-to-work options, in case a claim occurs.

### What is return to work?

Return to work simply means taking steps to help an injured worker get back to work quickly, safely and, if necessary, with assistance. Options include:

- Working shorter hours. "Loss of earning power" benefits may be available to a full-time employee who works part time during recovery, a financial benefit to both the worker and employer.
- Performing transitional work. For example, a worker might perform some of her original duties or different duties with lighter physical demands. Performing a different job temporarily is another option.
- Working in a modified job. "Job modification" means making adjustments to the work site; changing the job to meet the worker's limitations; or providing tools, equipment or appliances that allow the worker to work within his limitations.

### What is Labor and Industries doing to encourage return to work?

When an injured worker has received time-loss benefits for 14 days, the claim is assigned to a team of health-care and vocational specialists in a local L&I office. A team member calls the worker, employer and doctor to explain return-to-work options, see whether the worker would benefit and identify any L&I services that might be needed.

From March 29 through August 31, early return-to-work teams in local L&I offices have helped 1,278 injured workers get back on the job sooner. Here is one story: A warehouse worker strained his lower back transferring boxes to a pallet. An L&I team member reviewed the company's proposed light-duty job with the doctor and obtained the required medical release. The warehouseman worked part time for a month, gradually increasing to full-time work in the light-duty job. After two months, he returned to his regular job full time.

Without this return-to-work option, the worker could have remained off work for several more months.

### What can employers do?

If an injury occurs, and L&I calls you, take time to discuss your injured employee's job and what might be done to help that person come back to work sooner. Better yet, develop a return-to-work strategy before you need it. It will help you control claims costs – and premiums – and speed your employee's recovery.

### Who should you call?

For more information about return-to-work services, contact the L&I office below that is nearest to you. Ask to speak to the regional supervisor who heads the Early Return-to-Work team.

**From March 29 through August 31, early return-to-work teams in local L&I offices have helped 1,278 injured workers get back on the job sooner.**



<b>East Wenatchee</b> patc235@LNI.wa.gov	509-886-6571
<b>Everett</b> freu235@LNI.wa.gov	425-290-1363
<b>Seattle</b> bour235@LNI.wa.gov	206-515-2831
<b>Spokane</b> danc235@LNI.wa.gov	509-324-2581
<b>Tacoma</b> hago235@LNI.wa.gov	253-596-3874
<b>Tumwater</b> haur235@LNI.wa.gov	360-902-4837

# Online in November: L&I Claim and Account Center

## Available to all State Fund employers in early 2005

Washington's workers' compensation system is about to become a lot more accessible to employers, third-party administrators, Retro groups, health-care providers, injured workers, and injured workers' representatives.

In late November, about 850 L&I customers who currently access Workers' Compensation File Information (WCFI) using a digital certificate will have access to the new L&I Claim and Account Center. They will be able to view claim file information in an easier-to-use format, any time – day or night – 365 days of the year. Currently, access is limited to L&I business hours.

In early 2005, digital certificates will give way to a simple password, and access to the online claim center will be available to all State Fund employers, injured workers and their attending doctors.

Under the system about to be unveiled, digital certificates will no longer be needed by the end of the year. L&I customers simply will log into a web site and use a password to access the claim files they are authorized to view. The new system will be secure and easy to use. For example, file information will no longer be encrypted in codes

that only people intimately familiar with workers' compensation claim files understand.

"We think the online Claim & Account Center is going to be a huge, huge improvement for our customers," said Robert Malooly, L&I's Assistant Director for Insurance Services.

"Instead of having to call, employers will be able to log on and check on the status of a claim," said Kristine Masten, manager of the online project.

"Physicians will be able to check to see if a claim manager has authorized a procedure. An injured worker can find out if his or her time-loss check has been mailed. Our customers will spend a lot less time on the phone waiting for answers to simple, easy-to-answer questions."

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**The new system will be secure and easy to use.**

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The L&I Claim and Account Center evolved from the Online Reporting and Customer Access (ORCA) project. Features beyond those L&I launches in November and early 2005 will be pursued, provided the department's FY2005-2007 budget includes necessary funding. The additional features would give customers access to files, notes and doctors' orders – information that currently must be requested because it is available only on microfilm.



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**Employers will be able to log on and check on the status of a claim.**

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**What are the "red flags" for spotting potentially fraudulent claims? Review the lists on L&I's fraud web site: [www.fraud.LNI.wa.gov](http://www.fraud.LNI.wa.gov). Click on "Injured Worker Fraud."**

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### **Fraud** ▶ *continued from page 5*

Following passage of HB 3188, L&I consolidated its anti-fraud efforts in a newly created Fraud Prevention and Compliance Program. Managed by Carl Hammersburg, the program has dramatically increased the number of validity checks on new workplace injury claims to make sure they are legitimate. L&I is also in the process of purchasing a system that will spot inappropriate billings.

In December, L&I will publish the first of four quarterly reports for the Washington State Legislature that outline the department's efforts to combat fraud and abuse.

#### **Look for these Signs of Fraud poster available online**

L&I has created *Look for these Signs of Fraud* poster as part of its stepped-up fraud prevention and detection efforts. Several employer organizations have asked L&I to make such a poster available to employers. You can download it from the department's web site at [www.LNI.wa.gov/IPUB/262-250-000.pdf](http://www.LNI.wa.gov/IPUB/262-250-000.pdf).

# News in Brief

## New federal overtime rules take effect

On August 23, the U.S. Department of Labor implemented new rules defining which workers must be paid overtime and the criteria that employers must meet to legally exempt an employee from overtime pay. The State of Washington also has rules governing overtime. Because state rules have not changed, employers need to review the status of their workers against the new federal rules, then follow whichever rule (state or federal) is most beneficial to the employee in each case.

Please go to [Wages.LNI.wa.gov](http://Wages.LNI.wa.gov) where you will find answers to frequently asked questions, fact sheets, and phone numbers/e-mail addresses where you can contact L&I and the U.S. Department of Labor for help with the changes created by the new federal overtime rules.

## Credit or debit card options expand

Customers visiting any of L&I's 22 local offices can now use their credit or debit card to pay for many L&I services and fees, including electrical permits, contractor registration and renewal, and Factory Assembled Structures (FAS) permits. Previously, service counter staff could only accept cash or

checks. That changed when credit/debit card hardware and software were installed this summer.

Three types of payments at service counters continue to require cash or check. They are industrial insurance premiums, master business licenses (UBI) or deposits to Contractor Deposit (CD) accounts.

## You may be an employer with requirements – and not know it

Check out L&I's easy-to-read *A Guide to Hiring Independent Contractors*. It will help you decide if your workers can be considered independent contractors – or whether they're actually your employees. The guide covers workers' compensation, workplace safety, and wage and hour questions. It contains information about related laws, helpful web sites and important phone numbers.

Get this publication online at [www.LNI.wa.gov/ipub/101-063-000.pdf](http://www.LNI.wa.gov/ipub/101-063-000.pdf) or call your local L&I office and request publication F101-063-000.

## Online safety courses offer convenient training option

Labor and Industries offers online safety and health training courses that provide basic awareness for employees and employers on a variety of topics

– anytime on the Internet. You'll find training for many industries and hazards, with topics such as confined space hazards, fall protection, noise exposure, lawn mower safety, ladder safety, personal protective equipment and teen worker safety. The online training modules are interactive and easy to use. Photos and graphics reinforce the training concepts, and participants can print out a personalized "certificate of completion" when finished. Check out L&I's online training courses at [www.LNI.wa.gov/Safety/TrainTools/online/courses/](http://www.LNI.wa.gov/Safety/TrainTools/online/courses/).

## More info on new WISHA CD

The September 2004 edition of the WISHA CD, *Safety & Health Rules, Guides & Policies CD*, provides new resources. In addition to workplace safety and health rules, the new CD includes WISHA policies and related laws (Revised Code of Washington), plus previously added guides on accident prevention programs and personal protective equipment. The CD also contains rewritten rules on trade secrets and employee medical and exposure records. L&I encourages employers with Internet access to use access this information online at [www.LNI.wa.gov/safety/rules](http://www.LNI.wa.gov/safety/rules). If you need a copy of the September 2004 WISHA CD, call 1-800-423-7233 (4BE-SAFE) and request F414-074-034.

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