



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Department of Labor and Industries

Subject of possible rule making: 2006 Industrial Insurance Premium Rates
Chapter 296-17-WAC General Reporting Rules, Classifications, Audit and Record keeping, Rates and Rating System for Washington Workers' Compensation Insurance

Statutes authorizing the agency to adopt rules on this subject: RCW 51.16.035, RCW 51.04.020(1) and RCW 51.18.010

Reasons why rules on this subject may be needed and what they might accomplish: Labor and Industries is required by law to establish and maintain a workers' compensation classification plan and set premium rates that maintain actuarial solvency of the accident and medical aid funds. By law, the plan must be consistent with recognized principles of insurance and rates adjusted annually or as needed to ensure solvency of the insurance trust funds. Labor and Industries is also required by law to offer retrospective rating plans to employers as a further incentive to encourage workplace safety and injury prevention.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
No other state, local, or federal agency regulates this subject

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

Premium rates for each classification are developed in part from the past loss experience of employers subject to the classification, changes in benefit levels mandated by law or court decisions, medical inflation, economic and business trends and financial markets. Labor and Industries will work with the Workers' Compensation Advisory Committee and Retrospective Rating Advisory Committee as changes are developed. The public can participate in these discussions by attending the retrospective advisory committee meetings. Schedules of these meetings are available on the Insurance Services section of the Labor and Industries internet site. This site can be accessed at Ini.wa.gov/ClaimsInsurance/RatePremium/Reduce/Retro/AdvComm.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Labor and Industries is tentatively planning to hold formal public hearings between October 28 and November 8 in Spokane, Yakima, Mt. Vernon, Tukwila, Vancouver, and Tumwater. Public hearings are anticipated to begin at 1p.m. and last until all public comments are received. Inquiries can be directed to:

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DATE
June 21, 2005

NAME (TYPE OR PRINT)
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SIGNATURE

TITLE
Director
Labor and Industries

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