



RULE-MAKING ORDER

CR-103 (June 2004) (Implements RCW 34.05.360)

Agency: Labor and Industries

- Permanent Rule
- Emergency Rule

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) July 1, 2007 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:

Emergency Rules

- Immediately upon filing.
- Later (specify)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes
 - No
- If Yes, explain:

Purpose: Chapter 296-17 WAC General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance

This rulemaking order will adopt a reduction in the Medical Aid premium base rates for work done during the six months beginning July 1, 2007, which will ultimately reduce the Medical Aid contingency reserve. During this time period, Medical Aid premiums will not be assessed for employers and workers and therefore it is anticipated that this will reduce the balance of the Medical Aid fund by \$315 million.

Citation of existing rules affected by this order: See attachment 1 for new rule.

Repealed: 0
 Amended: 2 – WAC 296-17-895, WAC 296-17-89502
 Suspended: 0

Statutory authority for adoption: RCW 51.06.035; RCW 51.08.010; RCW 51.04.020

Other authority : None

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 06-22-108 on November 1, 2006.

Describe any changes other than editing from proposed to adopted version: Two paragraphs are added to the 3 amended sections that explain the process by which the medical aid reduction will occur. The effective date of Table I in WAC 296-17-90492 was corrected to July 1, 2007.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone _____
 Address: _____ fax _____
 e-mail _____

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted: March 12, 2007

NAME (TYPE OR PRINT)

Judy Schurke

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: March 12, 2007
TIME: 1:10 PM

WSR 07-07-032

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	<u>1</u>	Amended	<u>2</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	_____	Repealed	_____

Attachment 1 – CR 103

**Chapter 296-17 WAC General Reporting Rules, Audit and Recordkeeping Rates
and Rating System for Washington Workers' Compensation Insurance**

NEW RULE ADOPTED:

WAC 296-17-89504 Horse racing industry industrial insurance, medical aid, and supplemental pension by class.