



PROPOSED RULE MAKING

CR-102 (June 2004)
(Implements RCW 34.05.320)
Do NOT use for expedited rule making

Agency: Department of Labor and Industries

- Preproposal Statement of Inquiry was filed as WSR 08-13-083 ; or
Expedited Rule Making--Proposed notice was filed as WSR
; or
Proposal is exempt under RCW 34.05.310(4).

- Original Notice
Supplemental Notice to WSR
Continuance of WSR

Title of rule and other identifying information:

2009 Industrial Insurance Premium Rates
Chapter 296-17 WAC General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington
Workers' Compensation Insurance

Hearing location(s):

See attachment A for hearing schedule

Submit written comments to:

Name: Ronald Moore
Address: PO Box 44140
Olympia WA 98504-4140
e-mail mooa235@lni.wa.gov
fax (360)902-4748 by October 31, 2008

Assistance for persons with disabilities: Contact

Office of Information and Assistance by Oct. 14, 2008

TTY (360) 902-5797

Date of intended adoption: November 26, 2008
(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

This rule proposal will amend the tables of classification base premium rates, items associated with experience
modification factor calculations and retrospective rating plan size groupings for the workers' compensation insurance
program for calendar year 2009. Classification base rates were amended for updated loss and payroll experience and
the proposed decision to increase premium rates an overall average 3.0 percent. In addition, the experience
modification factor limitation rule is being changed regarding the exceptions to the twenty-five percent limitation on
annual changes to the factor. The maximum claim value, which is the limitation on amounts charged employers for
large single claim costs, has been reduced from \$502,800 to the average cost of fatality cases, currently \$217,944.

See Attachment B for the sections amended by this proposal.

Reasons supporting proposal: The department's decision to increase rates an overall 3.0 percent is intended to keep
up with medical cost inflation and increases in the average amount of workers' wages. Washington law provides that
rates should be adjusted annually to reflect the hazards of each industry and in accordance with recognized workers'
compensation insurance principles.

Statutory authority for adoption: RCW 51.16.035 (Base
Rates), RCW 51.32.073 (Supplemental Pension), RCW
51.08.010 (Retrospective Rating), and RCW
51.04.020(1) (General Authority)

Statute being implemented: RCW 51.16.035, RCW
51.32.073, RCW 51.18.010, and RCW 51.04.020(1)

Is rule necessary because of a:

- Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No
If yes, CITATION:

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 17, 2008
TIME: 10:51 AM

WSR 08-19-115

DATE

September 17, 2008

NAME

Judy Schurke

Judy Schurke

SIGNATURE

TITLE

Director

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

**Name of proponent:** (person or organization) Department of Labor and Industries

- Private
- Public
- Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Bill Moomau/JoAnne Smith	Tumwater, WA	(360) 902-4774
Implementation.... Ronald Moore	Tumwater, WA	(360) 902-4748
Enforcement..... Robert Malooly	Tumwater, WA	(360) 902-4209

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No. Explain why no statement was prepared.

In this rulemaking the agency is exempt from preparing a SBEIS when the proposed rules set or adjust fees or rates pursuant to legislative standards. This exemption is described in RCW 34.05.310(4)(f).

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No: Please explain: In this rulemaking, the agency is exempt from conducting a CBA since the proposed rules set or adjust fees or rates pursuant to legislative standards described in RCW 34.05.328(5)(b)(vi).

Attachment A  
CR102 2009 Rates

**Hearings for 2009 Rates**

<b>October 21</b>	<b>9 a.m.</b>	<b>Spokane Airport Ramada 8909 West Airport Dr., Spokane, WA 99219</b>
<b>October 21</b>	<b>2 p.m.</b>	<b>Kennewick L&amp;I Office 4310 W. 24<sup>th</sup> Ave., Kennewick, WA 99338</b>
<b>October 22</b>	<b>2 p.m.</b>	<b>Bellingham Quality Inn 100 East Kellogg Road, Bellingham, WA 98226</b>
<b>October 22</b>	<b>2 p.m.</b>	<b>Labor &amp; Industries Bldg. 7273 Linderson Way SW, Tumwater, WA 98501</b>
<b>October 24</b>	<b>10 a.m.</b>	<b>Tukwila L &amp; I Office 12806 Gateway Dr., Tukwila, WA 98168</b>
<b>October 24</b>	<b>10 a.m.</b>	<b>Red Lion Inn at the Quay 100 Columbia St., Vancouver, WA 98660</b>

**Attachment B**

**CR 102 Chapter 296-17 WAC General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance**

**Continuation: Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

**This proposal amends the following sections:**

Experience modification	WAC 296-17-855
Experience modification limitations	WAC 296-17-865
Evaluation of actual losses	WAC 296-17-870
Table I	WAC 296-17-875
Table II	WAC 296-17-880
Table III	WAC 296-17-885
Table IV	WAC 296-17-890
Industrial insurance accident fund base rates and medical aid base rates by class of industry	WAC 296-17-895
Industrial insurance accident fund, medical aid and supplemental pension rates by class of industry for nonhourly rated classifications	WAC 296-17-89502
Horse racing industry industrial insurance, medical aid, and supplemental pension by class	WAC 296-17-89504
Table I (Retro)	WAC 296-17-90492
Assessment for supplemental pension fund	WAC 296-17-920