



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: WAC 296-15-225 Self-insurance second injury fund assessment.

Chapter 296-15 WAC governs employers who are permitted to self-insure their workers' compensation obligation pursuant to Title 51 RCW. The department is considering a change to WAC 296-15-225, which provides the calculations used to determine an individual self-insured employer's second injury fund experience rating and assessment rate.

Statutes authorizing the agency to adopt rules on this subject: RCW 51.44.040

Reasons why rules on this subject may be needed and what they might accomplish:

The Washington Self-Insurers Association (WSIA) submitted a petition for rulemaking. The WSIA requests that WAC 296-15-225 be repealed because they believe that the WAC conflicts with the plain meaning of RCW 51.44.040. The petition states that the formula that directs the calculation of each self-insured employer's Second Injury Fund assessment is inconsistent with the calculation authorized in RCW 51.44.040 (3)(a)(ii).

The current rule indicates that a self-insured employer's experience rating is applied to fifty-percent of their second injury fund assessment rate. The WSIA believes the intent of the statute is that the department experience rate 100% of each self-insurers assessment rate.

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) Labor and Industries will work with representatives of the self-insured employer community on all changes to WAC 296-15-225. A public hearing will be held in Tumwater after the proposed language is filed.

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

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

Interested parties may participate by contacting:

Margaret Conley, Department of Labor and Industries Self Insurance Section
P.O. Box 44890
Olympia, Washington 98504-4890
Phone: (360) 902-6723
Fax: (360) 902-6977
E-mail: MCGM235@Lni.wa.gov

DATE
May 4, 2010

NAME (TYPE OR PRINT)
Judy Schurke

SIGNATURE

TITLE
Director

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