



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 10-14-102
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: (Describe Subject)
Chapter 296-17 WAC General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance and Chapter 296-17B WAC Retrospective Rating

Hearing location(s):
January 4, 2011 10:00 a.m.
Tacoma Convention Center
1500 Broadway
Tacoma, WA 98402

January 4, 2011, 10:00 a.m.
CenterPlace Regional Event Center
2426 N Discovery Place
Spokane Valley, WA 99216

Submit written comments by 5:00 pm January 4, 2011 to:

Ronald C. Moore, Program Manager Employer Services
PO BOX 41440
Olympia WA 98504-4140

e-mail mooa235@lni.wa.gov
fax (360) 902-4748

Date of intended adoption: January 26, 2011
(Note: This is NOT the effective date)

Assistance for persons with disabilities: Contact
Office of Information and Assistance by
TTY (360) 902-5797

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, experience rating plan parameters, experience modification factor calculation limitations and retrospective rating plan size groupings for the workers' compensation insurance program for calendar year 2011. Classification base rates were amended in order to base the rates on updated loss and payroll experience and the proposed decision to increase premium rates an overall average 12 percent per hour worked.

See Attachment A for the rules amended, repealed, and created by this proposal.

Reasons supporting proposal: The department's decision to increase rates 12 percent is intended to provide the lowest rates necessary to maintain solvency of the funds consistent with recognized insurance principles, and to attempt to limit fluctuations in the rates. Premiums must keep up with medical cost and wage inflation. Washington law provides that rates should be adjusted to reflect the hazards of each industry.

Statutory authority for adoption: RCW 51.16.035 (Base Rates), RCW 51.32.073 (Supplemental Pension), 51.18.010 (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

Is rule necessary because of a:
Federal Law?
Federal Court Decision?
State Court Decision?
If yes, CITATION:

Yes/No checkboxes for Federal Law, Federal Court Decision, and State Court Decision.

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: November 16, 2010

TIME: 1:47 PM

WSR 10-23-100

DATE
November 16, 2010

NAME
Judy Schurke

SIGNATURE
[Handwritten 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..... Jo Anne Attwood	Tumwater, WA	(360) 902-4777
Implementation.... Ronald C. 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.

No SBEIS is required as the proposed rules are adjusting rates pursuant to legislative standards.

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:

No. The proposed rules are adjusting rates pursuant to legislative standards.

## **Attachment A**

### **2011 Rates**

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

##### **Amend:**

WAC 296-17-855	Experience modification
WAC 296-17-875	Table I
WAC 296-17-880	Table II
WAC 296-17-885	Table III
WAC 296-17-890	Table IV
WAC 296-17-895	Industrial insurance accident fund base rates and medical aid base rates by class of industry
WAC 296-17-89502	Industrial insurance accident fund, medical aid and supplemental pension rates by class of industry for nonhourly rated classifications
WAC 296-17-89503	Farm internship program industrial insurance, accident fund and medical aid fund by class
WAC 296-17-89504	Horse racing industry industrial insurance, medical aid, and supplemental pension by class
WAC 296-17-920	Assessment for supplemental pension fund

##### **Repeal:**

296-17-86502	Medical aid experience modification limitations
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##### **New:**

296-17B-900	Retrospective rating plans standard premium size ranges
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