



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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 11-13-100 ; or | <input checked="" type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____ ; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information: 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 for Workers' Compensation Insurance

Hearing location(s): See Attachment A

Date: _____ Time: _____

Submit written comments to:

Name: Doug Stewart, Employer Services Program Manager
Address: PO Box 41440
Olympia, WA 98504-4140
e-mail doug.stewart@lni.wa.gov
fax (360) 902-4988 by 5 p.m. on November 4, 2011

Assistance for persons with disabilities: Contact

Office of Information and Assistance by October 21, 2011

TTY (360) 902-5797

Date of intended adoption: November 30, 2011

(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, experience rating plan parameters, experience modification factor calculation limitations and retrospective rating plan size groupings for the workers' compensation insurance program for calendar year 2012. Classification base rates were amended for updated loss and payroll experience, and to propose an increase in premium rates an overall average 2.5 percent per hour worked. This proposal will add language to reflect the new Stay at Work program. This proposal will repeal rules related to the expired Farm Internship Program.

See Attachment B for the rules amended, repealed, and created by this proposal.

Reasons supporting proposal: The department's decision to increase rates 2.5 percent is intended to cover the costs of claims that will occur in 2012, keep up with medical inflation, increases in the average amount of workers' wage, and changes in investment returns. 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 51.18.010 (Retrospective Rating), and RCW 51.04.020(1) (General Authority)

Statute being implemented: RCW 51.16.035, RCW 51.32.073, and RCW 51.18.010

Is rule necessary because of a:

- | | | |
|-------------------------|------------------------------|--|
| Federal Law? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 20, 2011

TIME: 2:00 PM

WSR 11-19-096

DATE
September 20, 2011

NAME (type or print)
Judy Schurke

SIGNATURE

TITLE
Director

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

N/A

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....Doug Stewart	Tumwater, WA	(360) 902-4826
Enforcement.....Beth Dupre	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 small business economic impact statement 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: 2012 Workers' Compensation Premium Rates

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

Chapter 296-17B WAC, Retrospective Rating for Workers' Compensation Insurance

Public Hearing Schedule:

October 25, 2011	9:00 a.m.	Red Lion Hotel at the Quay Quayside Portside Room 100 Columbia St. Vancouver, WA 98660
October 26, 2011	1:00 p.m.	Labor & Industries 12806 Gateway Drive Tukwila, WA 98168-1050
October 26, 2011	1:00 p.m.	Bellingham Public Library Lecture Room 210 Central Ave Bellingham, WA 98227-9710
October 27, 2011	1:00 p.m.	Red Lion Richland Hanford House Vernita Room 802 George Washington Way Richland, WA 99352
October 28, 2011	10:00 a.m.	Spokane CenterPlace Event Center 2426 N. Discovery Place Spokane Valley, WA 99216
October 28, 2011	10:00 a.m.	Labor & Industries 7273 Linderson Way SW Tumwater, WA 98501

Attachment B: 2012 Workers' Compensation Premium Rates

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

Chapter 296-17B WAC, Retrospective Rating for Workers' Compensation Insurance

Amend:

WAC 296-17-31024	Classification premium rates
WAC 296-17-855	Experience modification
WAC 296-17-870	Evaluation of actual losses
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 296-17-89504	Horse racing industry industrial insurance, medical aid, and supplemental pension by class
WAC 296-17-920	Assessment for supplemental pension fund
WAC 296-17B-540	Determining loss incurred for each claim
WAC 296-17B-900	Retrospective rating plans standard premium size ranges

Repeal

WAC 296-17-89503	Farm internship program industrial insurance, accident fund and medical aid fund by class
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