



PROPOSED RULE MAKING

CR-102 (June 2012)

(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 12-13-071 ; or
 Expedited Rule Making--Proposed notice was filed as WSR _____ ; or
 Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- Original Notice
 Supplemental Notice to WSR _____
 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: _____

Date of intended adoption: November 30, 2012
(Note: This is **NOT** the effective date)

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 5, 2012

Assistance for persons with disabilities: Contact

Office of Information and Assistance by October 17, 2012

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 2013. Classification base rates were amended for updated loss and payroll experience. The department proposes a zero (0) percent overall average premium rate increase.

See Attachment B for the rules amended by this proposal.

Reasons supporting proposal: The department's decision not to increase overall rates is intended to provide adequate premium income to cover expected losses for 2013 claims and to begin rebuilding the trust funds' contingency reserves. 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? Yes No
 Federal Court Decision? Yes No
 State Court Decision? Yes No
 If yes, CITATION:

DATE
September 18, 2012

NAME (type or print)
Judy Schurke

SIGNATURE

TITLE
Director

CODE REVISER USE ONLY

**OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED**

**DATE: September 18, 2012
TIME: 9:22 AM**

WSR 12-19-076

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 or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal 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: 2013 Workers' Compensation Premium Rates

Public Hearing Schedule

| | | |
|------------------|------------|--|
| October 23, 2012 | 10:00 a.m. | Labor & Industries 12806 Gateway Drive Tukwila, WA 98168-1050 |
| October 23, 2012 | 1:00 p.m. | Bellingham Public Library Lecture Room 210 Central Ave. Bellingham, WA 98227-9710 |
| October 24, 2012 | 10:00 a.m. | Centerplace Event Center 2426 N. Discovery Place Spokane Valley, WA 99216 |
| October 25, 2012 | 10:00 a.m. | Richland Community Center Activity Room 500 Amon Park Drive Richland, WA 99352 |
| October 26, 2012 | 10:00 a.m. | Labor & Industries Auditorium 7273 Linderson Way SW Tumwater, WA 98501 |
| October 29, 2012 | 10:00 a.m. | Red Lion at the Quay Quayside Portside Room 100 Columbia Street Vancouver, WA 98660 |

Attachment B: 2013 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 296-17-855 | 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 296-17-89504 | 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 |