



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 13-13-062 ; 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: (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 for Workers' Compensation Insurance

Hearing location(s): See Attachment A

Submit written comments to:

Name: Doug Stewart
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 1, 2013.

Date: Time:

Assistance for persons with disabilities: Contact
Office of Information and Assistance by October 17, 2013.
TTY (360) 902-5797

Date of intended adoption: November 30, 2013
(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 2014. Classification base rates were amended for updated loss and payroll experience. The department proposes a 2.7 percent overall average premium rate increase.

We are adding a new section describing the logger safety initiative supported by Engrossed Substitute Senate Bill 5744 passed by the 2013 Legislature and signed by the Governor. This legislation directs the department to consider incentives, such as a rate reduction, for those in the logging industry who meet specific safety criteria. The law requires the department to report to the legislature on the development and implementation of the logger safety initiative by December 21, 2013.

See Attachment B for the rules amended by this proposal.

Reasons supporting proposal: The department's decision to increase overall rates is intended to provide adequate premium income to cover expected losses for 2014 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 17, 2013

NAME (type or print)
Joel Sacks

SIGNATURE
[Handwritten Signature]

TITLE
Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 17, 2013
TIME: 10:31 AM
WSR 13-19-072

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.....	Victoria Kennedy	Tumwater, WA	(360) 902-4777

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

2014 Rates Public Hearing Schedule

October 22, 2013	10:00 a.m.	Tukwila Community Center Banquet Room C 12424 42 nd Ave S Tukwila, WA 98168
October 23, 2013	10:00 a.m.	Bellingham Central Library Lecture room 210 Central Avenue Bellingham, WA 98227
October 24, 2013	10:00 a.m.	Spokane CenterPlace 2426 N. Discovery Pl. Spokane Valley, WA 99216
October 25, 2013	9:00 a.m.	Richland Community Center Activity Room 500 Amon Park Dr. Richland, WA 99352
October 28, 2013	10:00 a.m.	Department of Labor and Industries Auditorium 7273 Linderson Way SW Tumwater, WA 98501
October 29, 2013	10:00 a.m.	Vancouver Northwest Regional Training Center Rainier Auditorium 11606 NE 66 St., Suite 103 Vancouver, WA 98662

Attachment B: 2014 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 296-17-89507	Horse racing industry industrial insurance accident fund, medical aid fund, supplemental pension fund and composite rate by class
WAC 296-17-901	Risk classification hazard group table
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

New:

WAC 296-17-940	Logging safety initiative
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Repeal:

WAC 296-17-89504	Horse racing rates
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