



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency:
Department of Labor & Industries

Permanent Rule Only

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) July 1, 2014 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose:

The purpose of this rule proposal is to modify a formula in an existing rule that allowed a small number of retro participating employers to receive refunds or larger refunds inconsistent with the intent of the Retrospective Rating program, when their loss ratio (claim costs divided by standard premium) exceeds the maximum loss limit they had chosen.

This rule will amend WAC 296-17B-440 Net insurance charge. With this change, the department proposes removing the Performance Adjustment Factor (PAF) from the calculation of insurance charges for those retro participants whose insurance charges are based on standard premium paid.

Citation of existing rules affected by this order:

Repealed: N/A
Amended: 296-17B-440
Suspended: N/A

Statutory authority for adoption: RCW 51.18.010 (Retrospective Rating)

Other authority : RCW 51.04.020(1) (General Authority)

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 14-08-081 on April 01, 2014

Describe any changes other than editing from proposed to adopted version:

N/A

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone () _____
Address: _____ fax () _____
e-mail _____

Date adopted:

May 30, 2014

NAME (TYPE OR PRINT)

Joel Sacks

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 30, 2014

TIME: 8:52 AM

WSR 14-12-051

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	_____	Amended	<u>1</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	<u>1</u>	Repealed	_____