PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Department of Labor and Industries

Subject of possible rule making: 2016 Industrial Insurance Premium 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 for Workers' Compensation Insurance

Statutes authorizing the agency to adopt rules on this subject: 51.16.035, RCW 51.04.020(1), and RCW 51.18.010

Reasons why rules on this subject may be needed and what they might accomplish: Labor and Industries is required by law to establish and maintain a workers' compensation classification plan, and to set premium rates that are: 1) the lowest necessary to maintain actuarial solvency of the accident and medical aid funds; and 2) designed to attempt to limit fluctuations in premium rates. The plan must be consistent with recognized principles of insurance. Labor and Industries is also required by law to offer retrospective rating plans to employers as a further incentive to encourage workplace safety and prevent employee injury.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
No other state, local, or federal agency regulates this subject.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe) Premium rates for each classification are developed in part from the past loss experience of employers subject to the classification, changes in benefit levels mandated by law or court decisions, medical inflation, economic and business trends and financial markets. Labor and Industries works with the Workers' Compensation Advisory Committee and Retrospective Rating Advisory Committee as changes are developed. The public can participate in these discussions by attending the Workers' Compensation Advisory Committee (WCAC) meetings. A schedule of these meetings is available at www.lni.wa.gov/ClaimsIns/Insurance/Learn/Wcac/WcacMtgMin/Default.asp.
The public can also participate in discussions of the Retrospective Rating Advisory Committee. A schedule of meetings can be found at www.lni.wa.gov/ClaimsIns/Insurance/Reduce/Qualify/AdvComm/default.asp
Employers covered by Labor and Industries will receive notice of the proposed changes and public hearings.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:
Labor and Industries is planning to hold formal public hearings in October and November, 2015, in Tumwater, Tukwila, Mount Vernon, Vancouver, Richland, and Spokane.
Public hearings are anticipated to last until all public comments are received. Inquiries can be directed to:
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PO Box 44148, Olympia, WA 98504-4148. Telephone: (360) 902-4777.
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DATE
June 16, 2015

NAME (TYPE OR PRINT)
Joel Sacks

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TITLE
Director

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