



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: Chapter 296-17A WAC Classifications for Washington Workers' Compensation Insurance. The department will consider:

- reclassifying some stores currently in classification 6406 Retail Stores to a new, lower-rated retail store classification
- reclassifying warehouse distribution centers without retail store exposure into classification 6407 wholesale stores
- reclassifying some stores currently in classification 6309 Wholesale-Retail Stores to lower-rated classification 6406 Retail Stores,
- clarifying the store classifications, and
- better distinguishing retail classifications from each other.

Statutes authorizing the agency to adopt rules on this subject: RCW 51.16.035

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 that classifies according to the degree of hazard and recognized insurance principles as described in WAC 296-17-31029. A study conducted by the department found that some store classifications are not aligned with insurance principles that require classifications be homogenous and equitably assigned.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
No other agency regulates the workers' compensation classification plan in the State of Washington.

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

- Negotiated rule making
 Pilot rule making
 Agency study
 Other (describe)

This preproposal follows a classification study. The study recommended rulemaking to maintain the integrity of the classification plan. The department contacted employers affected by the rulemaking and has held information pre-filing meetings. The department will send a notification when proposals are ready for review. Interested parties may participate by commenting before proposals are made, by testifying at the public hearing, or by providing written comment after the proposal is filed.

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, 2016 in Tumwater, Tukwila, Everett, Vancouver, Richland, and Spokane.

Inquiries can be directed to:

Richard Bredeson, Classification Services

PO Box 44148, Olympia, WA 98504-4148. Telephone: (360) 902-4985.

Fax: (360) 902-4988. Email: Richard.Bredeson@lni.wa.gov

DATE
May 17, 2016

NAME (TYPE OR PRINT)
Joel Sacks

SIGNATURE

TITLE
Director

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