



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 16-13-122 ; 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

Submit written comments to:

Name: Jo Anne Attwood
Address: PO Box 41448
Olympia, WA 98504-4148
e-mail joanne.attwood@lni.wa.gov
fax (360)902-4988 by 5 p.m. on November 8, 2016.

Date: Time:

Date of intended adoption: November 29, 2016
(Note: This is NOT the effective date)

Assistance for persons with disabilities: Contact
Office of Information and Assistance by October 15, 2016.
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 2017. Classification base rates were amended for updated loss and payroll experience. The department proposes a 0.7 percent overall average premium rate increase.

The rule also repeals WAC 296-17-86507 2007 Claim-free experience modification phase-in limitation which is now obsolete.

As part of rebuilding the contingency reserves, this rulemaking is also notice that the Director intends to transfer the amount of the accident and medical-aid funds combined that exceed 10% of funded liabilities as required by RCW 51.44.023.

See Attachment B for the rules amended and repealed by this proposal.

Reasons supporting proposal: The department's decision to increase overall rates is intended to ensure adequate premiums to cover expected losses for 2017 claims and to continue rebuilding the trust funds' contingency reserves to adequate levels. 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 20, 2016

NAME (type or print)

Joel Sacks

SIGNATURE

Handwritten signature of Joel Sacks

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 20, 2016

TIME: 9:12 AM

WSR 16-19-071

**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....	Chris Bowe	Tumwater, WA	(360) 902-4826
Enforcement.....	Victoria Kennedy	Tumwater, WA	(360) 902-4997

**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

2017 Rates Public Hearing Schedule

October 26, 2016	9:00 a.m.	Marshal Community Center Oak Room 1009 E. McLoughlin Blvd. Vancouver, WA 98663
October 27, 2016	9:00 a.m.	Department of Labor and Industries Tukwila Service Location, Room C30 12806 Gateway Dr. S Tukwila, WA 98168
November 1, 2016	9:00 a.m.	Everett Community College Corporate & Continuing Education Center 2333 Seaway Boulevard Everett, WA 98203
November 2, 2016	9:00 a.m.	Spokane CenterPlace 2426 N. Discovery Pl. Spokane Valley, WA 99216
November 3, 2016	9:00 a.m.	Richland Community Center Activity Room 500 Amon Park Dr. Richland, WA 99352
November 4, 2016	9:00 a.m.	Department of Labor and Industries Auditorium 7273 Linderson Way SW Tumwater, WA 98501

## **Attachment B: 2017 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, stay at work and medical aid base rates by class of industry
WAC 296-17-89502	Industrial insurance accident fund, stay at work, medical aid and supplemental pension rates by class of industry for nonhourly rated classifications
WAC 296-17-89507	Horse racing rates
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

#### **Repeal:**

WAC 296-17-86507	2007 Claim-free experience modification phase-in limitation
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