

CONCISE EXPLANATORY STATEMENT (CES)
Classification and Reporting Amendments for 2023

Chapter 296-17 WAC, General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance; Chapter 296-17A WAC, Classifications for Washington Workers' Compensation Insurance; and Chapter 296-15 WAC Workers' Compensation Self-Insurance Rules and Regulations

The date of adoption for this rule: October 18, 2022

The effective date for this rule: January 1, 2023

1. Purpose of rulemaking:

Classification Development's goal is to implement clear rule writing to ensure staff and customers can easily understand and apply the workers' compensation insurance classification and reporting rules. Classification Development studied some subclassifications for potential reduction in number; and reviewed classification and reporting rules for improvement and clarification.

The purpose of this rulemaking is not to make substantive changes to how employers are classified and amendments will not impact employer rates.

As part of this rulemaking, Labor and Industries (L&I) also reviewed these chapters for need, clarity, and consistency to make changes where possible to reduce the regulatory burden on employers insured with the State Fund.

L&I is required by law to establish and maintain a workers' compensation classification plan that classifies all occupations or industries in accordance with their degree of hazard and in a manner consistent with recognized insurance principles (RCW 51.16.035). We are amending some classifications to increase ease of reporting, and ensure consistent and equitable treatment to businesses.

Also as a part of this rulemaking adoption, the dollar amounts were removed from state fund and self-insurance rules pertaining to penalties and documenting the penalty amounts on the L&I website. 2020's Substitute House Bill (SHB) 2409 requires penalties in chapter 51.48 RCW be updated every three years based on the Consumer Price Index (CPI). Removing penalty amounts from the rules eliminates the need to perform rulemaking every three years when the CPI causes those amounts to change. Penalty amounts will be available on L&I's website and updates will be made every three years.

2. Differences between the rule as adopted and the proposed rule:

There are no differences between the adopted rule and the proposed rule.

3. Comments on proposed rule:

The public comment period for this rulemaking began August 2, 2022, and ended September 7, 2022. A public hearing was held on September 6, 2022 via zoom.

No one attended the hearing and no written comments were received.