



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (August 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: November 30, 2017

TIME: 9:59 AM

WSR 17-24-041

Agency: Department of Labor and Industries

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) January 1, 2018 (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 adoption is to establish premium rates and experience rating parameters for calendar year 2018. Washington law, the Revised Code of Washington (RCWs 51.16.035, 51.32.073, 51.18.010, and 51.04.020), requires Labor and Industries to adjust rates to ensure solvency of the accident, medical aid, and supplemental pension funds. RCW 51.16.035 also provides that premium rates vary by industry and degree of hazard. Labor and Industries is proposing a 2.5 percent overall average decrease to workers' compensation insurance premium rates beginning January 1, 2018, and adjusting each industry risk classification rate to reflect current loss experience.

This rule adoption 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 2018. Classification base rates were amended for updated loss and payroll experience. The department proposes a 2.5 percent overall average premium rate decrease.

The department's decision to decrease overall rates by an overall average of 2.5 percent is intended to ensure adequate premiums to cover expected losses for 2018 claims and to maintain the contingency reserve at adequate levels.

Finally, this rulemaking provides 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.

Citation of rules affected by this order:

New: n/a

Repealed: n/a

- Amended:
- 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 296-17-901 Risk classification hazard group table
 - 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

Suspended: n/a

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)

Other authority: n/a

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 17-19-113 on September 20, 2017 (date).

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

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

Name:

Address:

Phone:

Fax:

TTY:

Email:

Web site:

Other:

**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>12</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	___	Repealed	___

Date adopted: November 30, 2017

Name: Joel Sacks

Title: Director

Signature:

