



PROPOSED RULE MAKING

CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: September 18, 2018

TIME: 10:25 AM

WSR 18-19-081

Agency: Department of Labor and Industries

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

- Preproposal Statement of Inquiry was filed as WSR 18-13-096 ; 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); or
- Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) 2019 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.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 30, 2018	9:00 a.m.	L&I Headquarters Auditorium 7273 Linderson Way SW Tumwater, WA 98501	
October 30, 2018	1:00 p.m.	L&I Tukwila Location Room C30 12806 Gateway Dr S Tukwila, WA 98168	
October 31, 2018	9:00 a.m.	Spokane CenterPlace Auditorium 2426 N Discover Pl Spokane Valley, WA 99216	

Date of intended adoption: November 30, 2018 (Note: This is NOT the effective date)

Submit written comments to:

Name: Jo Anne Attwood
 Address: PO Box 44148
 Olympia, WA 98504-4148
 Email: JoAnne.Attwood@lni.wa.gov
 Fax: 360 402-4988
 Other:
 By (date) November 2, 2018 by 5:00 p.m.

Assistance for persons with disabilities:

Contact Jo Anne Attwood
 Phone: 360 902-4777
 Fax: 360 902-4988

TTY: 360 902-5797

Email: JoAnne.Attwood@lni.wa.gov

Other:

By (date) October 16, 2018

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 2019. Classification base rates were amended for updated loss and payroll experience. The department proposes a 5 percent overall average premium rate decrease.

This proposal 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.

Amendments are also being proposed to align with the risk classification changes associated with rulemaking adopted on February 20, 2018, effective January 1, 2019 that repeals risk classification 6304 Department stores.

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 296-17-901 Risk classification hazard group table (remove repealed 6304 effective January 1, 2019)

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.

Reasons supporting proposal: The department's decision to decrease rates by an overall average of 5 percent is intended to ensure adequate premiums to cover expected losses for 2019 claims and to maintain the contingency reserves at 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:

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: Mike Ratko Tumwater, WA 360 902-6369

Enforcement: Victoria Kennedy Tumwater, WA 360 902-4997

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

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:
- TTY:
- Email:
- Other:

No: Please explain: A cost-benefit analysis is not required per RCW 34.05.328(5)(b)(vi), as the proposed rules are adjusting rates pursuant to legislative standards.

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES


If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. _____

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Date: September 18, 2018	Signature: 
Name: Joel Sacks	
Title: Director	