



# PREPROPOSAL STATEMENT OF INQUIRY

## CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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FILED

DATE: June 18, 2019

TIME: 10:04 AM

WSR 19-13-085

**Agency:** Department of Labor & Industries

**Subject of possible rule making:** 2020 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.

**Statutes authorizing the agency to adopt rules on this subject:** RCWs 51.16.035, 51.04.020(1), and 51.18.010

**Reasons why rules on this subject may be needed and what they might accomplish:** Labor & Industries is required by law to establish and maintain a workers' compensation classification plan, and to set premium rates that are: 1) the lowest necessary to maintain actuarial solvency of the accident and medical aid funds; and 2) designed to attempt to limit fluctuations in premium rates. The plan must be consistent with recognized principles of insurance. Labor & Industries is also required by law to offer retrospective rating plans to employers as a further incentive to encourage workplace safety and prevent employee injury.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** No other state, local, or federal agency regulates this subject.

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

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) Premium rates for each classification are developed in part from the past loss

experience of employers subject to the classification, changes in benefit levels mandated by law or court decisions, medical inflation, economic and business trends and financial markets. Labor & Industries works with the Workers' Compensation Advisory Committee (WCAC) and Retrospective Rating Advisory Committee (RAC) as changes are developed. The public can participate in these discussions by attending the WCAC meetings. A schedule of these meetings is available at

[www.lni.wa.gov/ClaimsIns/Insurance/Learn/Wcac/WcacMtgMin/Default.asp](http://www.lni.wa.gov/ClaimsIns/Insurance/Learn/Wcac/WcacMtgMin/Default.asp).

The public can also participate in discussions of the RAC. A schedule of these meetings can be found at

[www.lni.wa.gov/ClaimsIns/Insurance/Reduce/Qualify/AdvComm/default.asp](http://www.lni.wa.gov/ClaimsIns/Insurance/Reduce/Qualify/AdvComm/default.asp).

Employers covered by Labor & Industries will receive notice of the proposed changes and public hearings.

Labor & Industries is planning to hold formal public hearings in October and November 2019, in Spokane, Tukwila, and Tumwater.

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

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Additional comments:

**Date:** June 18, 2019

**Name:** Joel Sacks

**Title:** Director

**Signature:**

