

WAC 296-17-87306 Combination of entities. Separate entities shall be combined for experience rating purposes when the same person or persons and/or a single corporation owns a majority interest in each of the entities.

Note: If two or more different combinations are possible in accordance with the provisions of this section, the combination producing the greatest amount of expected losses during the experience period shall be made. The experience of any entity used in such combinations may not be otherwise used in combination with any other entity. The experience used in a rating of combination shall be subject to the provisions of WAC 296-17-87305 (Initial recalculation of experience factor).

Exceptions:

(1) Individual trusts may not be combined for experience rating purposes with operations of the trustee nor with the operations of any other trusts. However, two or more trusts having identical trustees and also having identical beneficiaries shall be combined.

(2) Joint venture operations may not be combined with the operations of any other entity, even though the members of the joint venture are identically owned.

This subsection applies only where the entities are or have been operating and insured concurrently in Washington. It does not apply where concurrent operations are for a short period of time, not exceeding one year, if the operation of the original entity during the period both entities were operating, was restricted to the completion of projects entered into prior to the new entity commencing operations. Newly formed joint ventures shall be assigned an experience factor of unity (1.0000).

(3) Employee leasing firms (businesses) shall be required to establish a subaccount for each client for which they supply workers. This account will be a subaccount number of their client's account number. The client's account and the employee leasing firm's subaccount shall be combined to produce a single experience factor which will be shared by both the client and employee leasing firm (business).

[Statutory Authority: RCW 51.04.020(1) and 51.16.035. WSR 90-20-092, § 296-17-87306, filed 10/1/90, effective 11/1/90. Statutory Authority: RCW 51.04.030 and 51.16.035. WSR 79-12-086 (Order 79-18), § 296-17-87306, filed 11/30/79, effective 1/1/80.]