

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 1917

Chapter 410, Laws of 2005

59th Legislature
2005 Regular Session

INDUSTRIAL INSURANCE--PREMIUM RATES

EFFECTIVE DATE: 7/24/05

Passed by the House March 14, 2005
Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 12, 2005
Yeas 41 Nays 0

BRAD OWEN

President of the Senate

Approved May 11, 2005.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1917** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 11, 2005 - 2:19 p.m.

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 1917

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By Representatives Conway, Wood and Chase

Read first time 02/10/2005. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to improving stability in industrial insurance
2 premium rates; amending RCW 51.16.035; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 51.16.035 and 1999 c 7 s 8 are each amended to read as
5 follows:

6 (1) The department shall classify all occupations or industries in
7 accordance with their degree of hazard and fix therefor basic rates of
8 premium which shall be:

9 (a) The lowest necessary to maintain actuarial solvency of the
10 accident and medical aid funds in accordance with recognized insurance
11 principles; and

12 (b) Designed to attempt to limit fluctuations in premium rates.

13 (2) The department shall formulate and adopt rules ((and
14 ~~regulations~~)) governing the method of premium calculation and
15 collection and providing for a rating system consistent with recognized
16 principles of workers' compensation insurance which shall be designed
17 to stimulate and encourage accident prevention and to facilitate
18 collection. The department may annually, or at such other times as it
19 deems necessary to ~~((maintain solvency of the funds))~~ achieve the

1 objectives under this section, readjust rates in accordance with the
2 rating system to become effective on such dates as the department may
3 designate.

4 ~~((+2))~~ (3)(a) After the first report is issued by the state
5 auditor under section 1, chapter ... (Substitute House Bill No. 1856 or
6 Substitute Senate Bill No. 5614), Laws of 2005, the workers'
7 compensation advisory committee shall review the report and, as the
8 committee deems appropriate, may make recommendations to the department
9 concerning:

10 (i) The level or levels of a contingency reserve that are
11 appropriate to maintain actuarial solvency of the accident and medical
12 aid funds, limit premium rate fluctuations, and account for economic
13 conditions; and

14 (ii) When surplus funds exist in the trust funds, the circumstances
15 under which the department should give premium dividends, or similar
16 measures, or temporarily reduce rates below the rates fixed under
17 subsection (1) of this section, including any recommendations regarding
18 notifications that should be given before taking the action.

19 (b) Following subsequent reports issued by the state auditor under
20 section 1, chapter ... (Substitute House Bill No. 1856 or Substitute
21 Senate Bill No. 5614), Laws of 2005, the workers' compensation advisory
22 committee may, as it deems appropriate, update its recommendations to
23 the department on the matters covered under (a) of this subsection.

24 (4) In providing a retrospective rating plan under RCW 51.18.010,
25 the department may consider each individual retrospective rating group
26 as a single employing entity for purposes of dividends or premium
27 discounts.

28 NEW SECTION. Sec. 2. Section 1 of this act applies to industrial
29 insurance rates adopted by the department of labor and industries that
30 take effect on or after January 1, 2008.

Passed by the House March 14, 2005.
Passed by the Senate April 12, 2005.
Approved by the Governor May 11, 2005.
Filed in Office of Secretary of State May 11, 2005.