

RCW 51.18.040 Retrospective rating groups—Industry and business categories. (1) In order to ensure that all retrospective rating groups are made up of employers who are substantially similar, considering the services or activities performed by the employees of those employers, the sponsoring entity of a retrospective rating group shall select a single, broad industry or business category for each retrospective rating group. Once an industry or business category is selected, the department shall allow all risk classifications reasonably related to that business or industry category into that retrospective rating group.

(2) The following broad industry and business categories shall be used by the sponsoring entity and the department in establishing retrospective rating groups:

- (a) Agriculture and related services;
- (b) Automotive, truck and boat manufacturing, sales, repair, and related services;
- (c) Construction and related services;
- (d) Distillation, chemical production, food, and related services;
- (e) Facilities or property management, maintenance, and related services;
- (f) Government, utilities, schools, health care, and related services;
- (g) Health care, pharmaceutical, laboratories, and related services;
- (h) Logging, wood products manufacturing, and related services;
- (i) Manufacturing, processing, mining, quarrying, and related services;
- (j) Retail stores, wholesale stores, professional services, and related services;
- (k) Temporary help and related services; and
- (l) Transportation, recycling, warehousing, facility maintenance, and related services.

(3) The industry and business categories in subsection (2) of this section are not exclusive. In response to significant changes in marketplace demographics or the discovery of unique business or industry categories, the department may, by rule, include additional broad industry or business category selections. The department may, by rule, remove an industry covered within an industry or business category in the event that the business or industry is no longer found within this state.

(4) Given the broad nature of the industry and business categories in subsection (2) of this section, the risk classification or classifications assigned to an individual employer may appropriately fall into multiple business or industry categories.

(5) In order to simplify administration and keep the administrative costs associated with devising a different classification system for a retrospective rating plan to a minimum, the state's retrospective rating plan shall follow the same classification procedure established by the department to assign workers' compensation insurance classifications to an employer.

(6) Employers who have been a member of an existing, approved retrospective rating group prior to July 25, 1999, may continue in that group even if they are not substantially similar to the industry or business category selected pursuant to subsection (1) of this section. However, new employers proposed for addition to a

retrospective rating group on or after July 25, 1999, must fall within the selected industry or business category. [1999 c 7 s 5.]