

WAC 296-17B-300 Choosing loss limits. The loss limits you select will also affect your net insurance charge.

(1) Single loss occurrence limit: Your losses incurred for each claim occurrence will be limited by the amount of protection chosen, as described in WAC 296-17B-440. You must choose one of the following single loss occurrence limits:

- \$120,000;
- \$160,000;
- \$250,000;
- \$275,000;
- \$380,000;
- \$500,000;
- \$550,000;
- \$800,000;
- \$1,000,000;
- Unlimited.

(2) Aggregate loss limits: The product of the sum of your losses incurred and the performance adjustment factor will be limited by the maximum and minimum loss ratios you select. You will choose both a maximum and minimum loss ratio limit from the options available in the tables. You can also choose loss limits between the options listed in the tables.

(3) Restrictions on choice of limits:

(a) If you wish to select a single loss occurrence limit other than unlimited, the four most recent quarters of standard premiums must be at least twice the limit chosen. For example, you can only choose a single loss occurrence limit of two hundred seventy-five thousand dollars if your standard premiums in the four most recent calendar quarters were at least five hundred fifty thousand dollars.

(b) Your minimum loss ratio limit must be at least twenty percentage points lower than your maximum loss ratio limit.

(c) You can choose any maximum loss ratio between forty percent and one hundred sixty percent. Also you can choose any minimum loss ratio between zero percent and sixty percent. Your choice needs to be rounded to two decimal places. For example, you could choose a maximum loss ratio of ninety-eight and seventy-six one-hundredths percent.

(d) The three limits must be chosen so that the highest possible retrospective premiums must be between 105% and 200% of standard premiums, assuming a performance adjustment factor of 1.0 and the same size and hazard groups as your most recent coverage period.

(e) If at the time of adjustment, the standard premium at risk is less than one hundred five percent of the standard premium paid, the department will recalculate the adjustment results by amending your plan choices for the aggregate loss limits (maximum loss ratio, minimum loss ratio) so that the results conform to this requirement. The amendment of plan choices will be done in such a way as to make the best financial result for the participant. If that is not possible, the department will not adjust the premium at all: No refund or assessment will be calculated.

(f) If at the time of any annual adjustment, the standard premium you have paid places you in a size group outside of the options available in the appropriate hazard group table found in WAC 296-17B-910 through 296-17B-990, the department will change your single loss limit selection to unlimited.

[Statutory Authority: RCW 51.18.010(2), 51.04.020. WSR 17-12-020, § 296-17B-300, filed 5/30/17, effective 6/30/17. Statutory Authority:

RCW 51.16.035, 51.16.100, 51.04.020(1), and 51.18.010. WSR 10-21-086,
§ 296-17B-300, filed 10/19/10, effective 11/19/10.]