

**WSR 10-16-004**  
**PROPOSED RULES**  
**LIQUOR CONTROL BOARD**

[Filed July 21, 2010, 2:07 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-020.

Title of Rule and Other Identifying Information: Chapter 314-28 WAC, Distillers.

Hearing Location(s): Washington State Liquor Control Board, 3000 Pacific Avenue S.E., Olympia, WA 98504, on September 8, 2010, at 10:00 a.m.

Date of Intended Adoption: September 15, 2010.

Submit Written Comments to: Karen McCall, 3000 Pacific Avenue S.E., Lacey, WA 98504, e-mail rules@liq.wa.gov, fax (360) 664-9689, by September 8, 2010.

Assistance for Persons with Disabilities: Contact Karen McCall by September 8, 2010, (360) 664-1631.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Implementation of legislation passed in 2010, SSB 6485, required changes in current rule and new rules to clarify and provide further guidance to licensees who are impacted by the new regulations. The entire chapter was also reviewed for relevance, clarity, and accuracy.

Reasons Supporting Proposal: Implementation of legislation passed in 2010 required changes in current rule and creation of new rules to clarify and provide further guidance to licensees who are impacted by the new regulations. The existing rules included language that is no longer relevant and needed to be revised.

Statutory Authority for Adoption: RCW 66.08.030, 66.24.145.

Statute Being Implemented: RCW 66.24.145.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state liquor control board, governmental.

Name of Agency Personnel Responsible for Drafting: Karen McCall, 3000 Pacific Avenue S.E., Olympia, WA 98513, (360) 664-1631; Implementation: Alan Rathbun, Director, Licensing, 3000 Pacific Avenue S.E., Olympia, WA 98513, (360) 664-1611; and Enforcement: Pat Parmer, Chief Enforcement, 3000 Pacific Avenue S.E., Olympia, WA 98513, (360) 664-1726.

No small business economic impact statement has been prepared under chapter 19.85 RCW. This proposal does not change the impact on liquor licensees or stakeholders.

A cost-benefit analysis is not required under RCW 34.05.328.

July 20, 2010

Sharon Foster

Chairman

AMENDATORY SECTION (Amending WSR 09-02-011, filed 12/29/08, effective 1/29/09)

**WAC 314-28-010 Records.** (1) All distilleries licensed under RCW 66.24.140 and 66.24.145, including craft, fruit, and laboratory distillers:

(a) Must keep records concerning any spirits, whether produced or purchased, for ~~((two))~~ three years after each sale. ~~((These records must be kept separate from any other records.))~~ A distiller may be required to report on forms approved by the board;

(b) Must, in case of spirits exported or sold, preserve all bills of lading and other evidence of shipment; and

(c) Must submit duplicate copies of transcripts, notices, or other data that are required by the federal government to the board if requested, within thirty days of the notice of such request. A distiller shall also furnish copies of the bills of lading, covering all shipments of the products of the licensee, to the board within thirty days of notice of such request.

(2) In addition to the above, a craft distiller must:

(a) Preserve all sales records, in the case of retail sales to consumers ~~((, in addition to the records listed in subsection (1)(b) of this section));~~ and

(b) Submit duplicate copies of its monthly returns to the board upon request ~~((, in addition to the duplicate copies listed in subsection (1)(c) of this section. The same conditions apply as in subsection (1)(c) of this section)).~~

AMENDATORY SECTION (Amending WSR 09-02-011, filed 12/29/08, effective 1/29/09)

**WAC 314-28-050 What does a craft distillery license allow?** (1) A craft distillery license allows a licensee to:

(a) Produce ~~((twenty))~~ sixty thousand proof gallons or less of ~~((its own))~~ spirits per calendar year. A "proof gallon" is one liquid gallon of spirits that is fifty percent alcohol at sixty degrees Fahrenheit;

(b) Sell spirits of its own production directly to a customer for off-premises consumption, provided that the sale occurs when the customer is physically present on the licensed premises. A licensee may sell no more than two liters per customer per day. A craft distiller may not sell liquor products of someone else's production;

(c) Sell spirits of its own production to the board provided that the product is "listed" by the board, or is special-ordered by an individual Washington state liquor store;

(d) Sell to out-of-state entities;

(e) Provide, free of charge, samples of spirits of its own production to persons on the distillery premises. Each sample must be one-half ounce or less, with no more than two ounces of samples provided per person per day. Samples must be unaltered, and anyone involved in the serving of such samples must have a valid Class 12 alcohol server permit. Samples must be in compliance with RCW 66.28.040 ~~((and all applicable WACs, and are subject to taxes under WAC 314-28-070));~~ ~~((and))~~

(f) Provide, free of charge, samples of spirits of its own production to retailers. Samples must be unaltered, and in compliance with RCW 66.28.040, 66.24.310 and ~~((all applicable WACs, including WAC 314-44-005 and))~~ WAC 314-64-08001. Samples are considered sales and are subject to taxes ~~((under WAC 314-28-070));~~

(g) Contract produced spirits for holders of a distiller or manufacturer license.

(2) A craft distillery licensee may not sell directly to in-state retailers or in-state distributors ~~((, but only to on-prem-~~

ises customers, to the board, and to out-of-state entities, as stipulated in subsections (1)(b), (c) and (d) of this section)).

#### NEW SECTION

**WAC 314-28-055 What are the requirements for contract production by craft distilleries?** (1) This section clarifies the language for contract production found in RCW 66.24.145. For the purposes of this section, contract production is when one craft distillery, referred to as the "contractor," produces distilled spirits for a distillery licensed under RCW 66.24.140, manufacturers licensed under RCW 66.24.-150, wine growers licensed under RCW 66.24.520, referred to as "contractee," and for export from the state. This distilled spirit is referred to as the "product."

(a) The contractee is the product owner. The contractee may handle the product under its license as RCW and WAC allow.

(b) The contractor is required to physically transport all contracted product to the contractee. The contractor is not allowed to distribute or retail the product.

(2) The contractor must submit a copy of the contract to the board prior to production. Any changes in the contract must also be submitted to the board prior to subsequent production. The board may require additional information.

(3) The contractor and contractee are required to obtain any federal approvals.

(4) Maintaining qualification as a craft distillery. Each craft distillery, whether in the capacity of a contractor or contractee, is allowed to produce sixty thousand gallons or less of total product per year. Total product, in this instance, includes:

(a) Product owned and produced by the craft distillery;

(b) Product owned and produced by the craft distillery for export from the state;

(c) Product owned by the craft distillery but produced by another craft distillery;

(d) Product produced by the craft distillery on behalf of another craft distillery;

(e) Product produced by the craft distillery under contract for another distillery, manufacturer, or grower.

(5) Reporting and recordkeeping.

(a) The contractor must include all product produced including contract production when it reports its monthly production to the board.

(b) The contractee must include the product contract produced by another craft distillery when the contractee reports its monthly production to the board.

(c) The contractor's and the contractee's recordkeeping documents must include the product information for each contract. The information must show the quantities produced.

AMENDATORY SECTION (Amending WSR 09-02-011, filed 12/29/08, effective 1/29/09)

**WAC 314-28-060 What are the general requirements for a craft distillery license?** Per RCW 66.24.140 and 66.24.145, a craft distillery licensee is required to:

(1) Submit copies of all permits required by the federal government;

(2) Submit other licensing documents as determined by the board (~~(-Other documents may include, but are not limited to, a personal criminal history statement, a financial statement, the right to the real property, and the tied house statement));~~);

(3) Ensure a minimum of fifty percent of all raw materials (including any neutral grain spirits and the raw materials that go into making mash, wort or wash) used in the (~~(monthly)~~) production of the spirits product are grown in the state of Washington. Water is not considered a raw material grown in the state of Washington;

(4) Purchase any spirits sold at the distillery premises for off-premises consumption from the board, at the price set by the board;

(5) Purchase any spirits used for sampling at the distillery premises from the board; and

(6) Purchase any spirits used for samples provided to retailers from the board (~~(-and~~

~~(7) Meet any other applicable requirements stated in RCW and WAC)).~~

AMENDATORY SECTION (Amending WSR 09-02-011, filed 12/29/08, effective 1/29/09)

**WAC 314-28-070 What are the monthly reporting and payment requirements for a craft distillery license?**

(1) A craft distiller must submit monthly reports and payments to the board.

~~((1) Monthly reports.))~~ The required monthly reports must be:

(a) On a form furnished by the board or in a format approved by the board;

(b) Filed every month, including months with no activity or payment due;

(c) Submitted, with payment due, to the board on or before the twentieth day of each month, for the previous month. (For example, a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. postal service no later than the next postal business day; and

(d) Filed separately for each liquor license held.

(2) For reporting purposes, production is the distillation of spirits from mash, wort, wash or any other distilling material. After the production process is completed, a production gauge shall be made to establish the quantity and proof of the spirits produced. The designation as to the kind of spirits shall also be made at the time of the production gauge. A record of the production gauge shall be maintained by the distiller. The completion of the production process is when the product is packaged for distribution. Production quantities are reportable within thirty days of the completion of the production process.

(3) Payments to the board. A distillery must pay the difference between the cost of the alcohol purchased by the board and the sale of alcohol at the established retail price, less the established commission rate during the preceding calendar month, including samples at no charge (~~((see WAC 314-64-08001 for more information))~~).

(a) Any on-premises sale or sample provided to a (~~consumer~~) customer is considered a sale reportable to the board.

(b) Samples provided to retailers are considered sales reportable to the board.

(c) Payments must be submitted, with monthly reports, to the board on or before the twentieth day of each month, for the previous month. (For example, payment for a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, payment must be postmarked by the U.S. postal service no later than the next postal business day.

AMENDATORY SECTION (Amending WSR 09-02-011, filed 12/29/08, effective 1/29/09)

**WAC 314-28-090 Craft distilleries—Selling in-state, retail pricing and product listing—Selling out-of-state—Special orders. (1) What steps must a craft distillery licensee take to sell a spirits product in the state of Washington?**

(a) (~~(Selling a spirits product at a state liquor store.)~~) There are two ways to sell a spirits product at a state liquor store (~~(One way is)~~):

(i) Through the special order process (~~(which is explained in subsection (3) of this section ("How to special order a product.")). The second way is)~~; and

(ii) Through product listing (~~(explained in this subsection)~~).

(b) If a craft distillery licensee wants the board to regularly stock its product on the shelf at a state liquor store, a licensee must request the board to list its product. If the board agrees to list the product, a licensee must then sell its product to the board and transport its product to the board's distribution center.

(~~(b) Selling a spirits product at a craft distillery premises.~~) (c) Before a craft distillery licensee may sell its product to a customer (~~(i.e., any individual who is)~~) twenty-one years old or older at its distillery premises, a licensee must (~~(first)~~):

(i) Obtain a retail price from the board (~~(;)~~);

(ii) Sell its product to the board (~~(;)~~); and (~~(then)~~)

(iii) Purchase its product back from the board. Product that a licensee produces and sells at its distillery premises is not transported to the board's distribution center.

(~~(c)~~) (d) Listing a product. A craft distillery licensee must submit a formal request to the board to have the board regularly stock its product at a state liquor store. The board's purchasing division administers the listing process.

(i) A licensee must submit the following documents and information: A completed standard price quotation form, a listing request profile, bottle dimensions, an electronic color photograph of the product, a copy of the federal certificate of label approval, and a signed "tied house" statement.

(ii) The purchasing division shall apply the same consideration to all listing requests.

(iii) A craft distillery licensee is not required to submit a formal request for product listing if a licensee sells its product in-state only by special order (see (~~(subsection (3) of this section, "How to special order a product.") chapter 314-74 WAC).~~

tion, "How to special order a product.") chapter 314-74 WAC).

(~~(e)~~) (e) Obtaining a retail price. A craft distillery licensee must submit a pricing quote to the board forty-five days prior to the first day of the effective pricing month. A pricing quote submittal includes a completed standard price quotation form, and the product's federal certificate of label approval. The board will then set the retail price.

(i) Pricing may not be changed within a calendar month.

(ii) A craft distillery licensee is required to sell to its on-premises customers at the same retail price as set by the board. If and when the board offers a temporary price reduction for a period of time, a licensee may also sell its product at the reduced price, but only during that same period of time.

**(2) What are the requirements for a craft distillery licensee to sell its spirits product outside the state of Washington?**

(a) A craft distillery licensee shall include, in its monthly report to the board, information on the product it produces in-state and sells out-of-state. Information includes, but is not limited to, the amount of proof gallons sold, and the composition of raw materials used in production of the product (~~(see WAC 314-28-070)~~).

(b) Product produced in-state and sold out-of-state counts toward a licensee's (~~(twenty)~~) sixty thousand proof gallons per calendar year production limit (see WAC 314-28-050).

(c) Product produced in-state and sold out-of-state is subject to the fifty percent Washington grown raw materials requirement (~~(see WAC 314-28-060)~~).

(d) Product sold out-of-state is not subject to retail pricing by the board.

(e) A craft distillery licensee is not subject to Washington state liquor taxes on any product the licensee sells out-of-state.

**(3) How to special order a product:**

(a) If a customer, such as an individual person or a restaurant licensee, wants to purchase a spirits product that is not carried on the shelf at a state liquor store, then the following steps may be taken to special order the product:

(i) The customer must place a special order request with a state liquor store;

(ii) The store forwards the special order request to the board's purchasing division;

(iii) The purchasing division orders the product from the craft distillery licensee. To receive an order, the craft distillery licensee must have a product listing or a product retail price, as described in subsection (1)(c) and (d) of this section;

(iv) The craft distillery licensee sends the product to the board's distribution center; and

(v) The distribution center ships the product to the state liquor store that originally took the customer's special order request (see (a)(ii) of this subsection).

(b) For additional information regarding special order requests, refer to chapter 314-76 WAC.)

**WSR 10-16-030**  
**PROPOSED RULES**  
**DEPARTMENT OF LICENSING**

[Filed July 26, 2010, 9:43 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-12-102.

Title of Rule and Other Identifying Information: WAC 308-124B-210 Real estate licensee advertising/assumed names.

Hearing Location(s): 2000 4th Avenue West, 2nd Floor Conference Room, Olympia, WA, on September 9, 2010, at 3:00 p.m.

Date of Intended Adoption: September 9, 2010, or after.

Submit Written Comments to: Jerry McDonald, 2000 4th Avenue West, Olympia, WA 98507, e-mail [jmcdonald@dol.wa.gov](mailto:jmcdonald@dol.wa.gov), fax (360) 570-7051.

Assistance for Persons with Disabilities: Contact Sally Adams by September 1, 2010, TTY (360) 664-0116 or (360) 664-6526.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Consumers need to know which real estate brokerage they are contracting with. This proposal would consider allowing marketing and branding, but still keep the consumer knowledgeable on which real estate firm they are transacting business with.

Reasons Supporting Proposal: This rule will allow estate licensees to use branding in their practice and also allow the designated broker to direct the licensees' advertising within the firm.

Statutory Authority for Adoption: RCW 18.85.041(1).

Statute Being Implemented: RCW 18.85.041(5).

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of licensing, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Jerry McDonald, 2000 4th Avenue West, Olympia, WA, (360) 664-6525.

No small business economic impact statement has been prepared under chapter 19.85 RCW. This is a rule for individual licensees. The department of licensing and the real estate commission utilized parties to participate in the rule-making process.

A cost-benefit analysis is not required under RCW 34.05.328. The department of licensing is exempt from the provisions of this chapter.

July 26, 2010  
Walt Fahrer  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124B-210 Advertising.** A firm must operate under their firm name or an assumed name as licensed.

(1) All advertising or solicitations without limitation for brokerage services, to include the internet-based advertising, web pages, e-mail, newspaper, and other visual media must include the firm name or an assumed name as licensed.

(2) Brokers and managing brokers advertising using a name, title, or brand without obtaining an assumed name license must:

(a) Always use and display the firm's licensed name or the firm's licensed assumed name in a clear and conspicuous manner in conjunction with the use of such name, title, or brand.

(b) Not use a name, title, or brand which suggests a legal entity separate and distinct from the firm, such as "Inc.," "LLC," "LLP," "Corp.," "firm," or "company."

(c) Not use name, title, or brand commonly understood to reference a firm or an office, such as "realty," "realtors," "firm," or "real estate."

(d) Receive advance written approval from the firm's designated broker to use an unlicensed title or brand.

**WSR 10-16-031**  
**PROPOSED RULES**  
**DEPARTMENT OF LICENSING**

[Filed July 26, 2010, 9:44 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-12-102 [10-12-105].

Title of Rule and Other Identifying Information: WAC 308-124E-100, 308-124C-125, 308-124C-130, 308-124C-135, 308-124C-137, 308-124C-140 and 308-124C-145, Responsibilities for real estate licensees—Review of new licensee's work.

Hearing Location(s): 2000 4th Avenue West, 2nd Floor Conference Room, Olympia, WA, on September 9, 2010, at 4:00 p.m.

Date of Intended Adoption: September 9, 2010, or after.

Submit Written Comments to: Jerry McDonald, 2000 4th Avenue West, Olympia, WA 98507, e-mail [jmcdonald@dol.wa.gov](mailto:jmcdonald@dol.wa.gov), fax (360) 570-7051, by September 1, 2010.

Assistance for Persons with Disabilities: Contact Sally Adams, by September 1, 2010, TTY (360) 664-0116 or (360) 664-6526.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Licensees have duties and obligations that are required. Timelines need to be set to ensure that compliance is achievable.

Reasons Supporting Proposal: These rules will establish procedures for licensee on handling earnest money and brokerage service contracts.

Statutory Authority for Adoption: RCW 18.85.041(1).

Statute Being Implemented: RCW 18.85.041(5).

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of licensing, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Jerry McDonald, 2000 4th Avenue West, Olympia, WA, (360) 664-6525.

No small business economic impact statement has been prepared under chapter 19.85 RCW. This is a rule for individual licensees. The department of licensing and the real

estate commission utilized parties to participate in the rule-making process.

A cost-benefit analysis is not required under RCW 34.05.328. The department of licensing is exempt from the provisions of this chapter.

July 26, 2010  
Walt Fahrer  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-125 Designated broker responsibilities.** Designated broker responsibilities include, but are not limited to:

(1) Assuring all real estate brokerage services in which he/she participated are in accordance with chapters 18.85, 18.86, 18.235 RCW and the rules promulgated thereunder.

(2) Cooperating with the department in an investigation, audit or licensing matter.

(3) Ensuring accessibility of the firm's offices and records to the director's authorized representatives, and ensure that copies of required records are made available upon demand.

(4) Ensuring monthly reconciliation of trust bank accounts are completed, up-to-date and accurate.

(5) Ensuring monthly trial balances are completed, accurate and up-to-date.

(6) Ensuring that the trial balance and the reconciliation show the account(s) are in balance.

(7) Ensuring policies or procedures are in place to account for safe handling of customer or client funds or property.

(8) Maintaining up-to-date written assignments of delegations of managing brokers and branch manager duties. The delegation agreement(s) must be signed by all parties to the agreement. Delegations must:

(a) Only be made to managing brokers licensed to the firm.

(b) Address duties of record maintenance, advertising, trust accounting, safe handling of customer/client funds and property, authority to bind, review of contracts, modify or terminate brokerage service contracts on behalf of the firm, supervision of brokers and managing brokers, and heighten supervision of brokers that are licensed for less than two years.

(c) Address hiring, transferring and releasing licensees to or from the firm.

(9) Maintaining, implementing and following a written policy that addresses:

(a) Referral of home inspectors in compliance with Washington Administrative Code.

(b) Levels of supervision of all brokers ~~((and))~~, managing brokers and branch managers of the firm.

(c) ~~((The))~~ Review of all brokerage service contracts ~~((which involve))~~ involving any ~~((affiliated licensee))~~ broker of the firm ~~((that has been))~~ licensed for less than two years. ~~((This))~~ Review must be completed by the designated broker or their delegated managing broker within five ~~((calendar))~~ business days of ~~((client's signature and shall be evidenced by~~

~~the reviewer's initials and date on the first page of the documents))~~ mutual acceptance. Documented proof of review shall be maintained at the firm's record locations.

(10) Ensuring that all persons performing real estate brokerage services on behalf of the firm and the firm itself are appropriately licensed.

(11) Ensuring affiliated licensees submit their transaction documents to the designated broker, branch manager or delegated managing broker in a ~~((timely manner))~~ within two business days of mutual acceptance.

(12) Being knowledgeable of chapters 18.85, 18.86, and 18.235 RCW and their related rules.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-130 Branch manager responsibilities.** Branch manager responsibilities include, but are not limited to:

(1) Assuring all real estate brokerage services in which he/she participated are in accordance with chapters 18.85, 18.86, 18.235 RCW and the rules promulgated thereunder.

(2) Cooperating with the department in an investigation, audit or licensing matter.

(3) Ensuring accessibility of the firm's offices and records to the director's authorized representatives, and ensuring that copies of required records are made available upon demand.

(4) Being knowledgeable of chapters 18.85, 18.86, and 18.235 RCW and their related rules.

(5) ~~((Following the written policy on referral of home inspectors-~~

~~((6)))~~ Ensuring all persons employed, contracted or representing the firm at the branch location are appropriately licensed.

~~((7)))~~ ~~((6))~~ Overseeing of the branch licensees, employees and contractors.

~~((8)))~~ ~~((7))~~ Ensuring ~~((brokers, managing brokers and branch managers))~~ affiliated licensees are ~~((timely))~~ submitting their transaction documents to the designated broker or delegated managing broker ~~((, if delegated))~~ within two business days of mutual acceptance.

~~((9)))~~ ~~((8))~~ Hiring, transferring and releasing licensees to and from the branch.

~~((10)))~~ ~~((9))~~ Overseeing all activity within the branch office including supervision of brokers and managing brokers, and heightened supervision of brokers ~~((that are))~~ licensed for less than two years.

~~((11)))~~ ~~((10))~~ If delegated - client/customer funds or property:

(a) Ensuring monthly reconciliation of trust bank accounts are completed, up-to-date and accurate.

(b) Ensuring monthly trial balances are completed, accurate and up-to-date.

(c) Ensuring that the trail balance and the reconciliation show the account(s) are in balance.

(d) Ensuring safe handling of customer/client funds and property.

(e) Ensuring policies or procedures are in place to account for safe handling of customer or client funds or property.

~~((12))~~ (11) If delegated - other duties:

(a) Record maintenance.

(b) Proper and legal advertising.

(c) Review of contracts.

(d) Modify or terminate brokerage service contracts on behalf of the firm.

(e) Following and implementing the designated brokers written policy:

(i) On referral of home inspectors.

(ii) Addressing levels of supervision of all brokers and managing brokers.

(iii) That includes a review of all ~~((brokers (with less than two years of licensure) transactions within five calendar days of client's signature.~~

This review must be evidenced with the designated broker or delegated managing broker's initials and date on each brokerage service contract)) brokerage service contracts involving any broker licensed for less than two years. Review must be completed within five business days of mutual acceptance. Documented proof of review shall be maintained at the firm's record locations.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-135 Managing broker responsibilities.** Managing broker responsibilities include, but are not limited to:

(1) Assuring all real estate brokerage services in which he/she participated are in accordance with chapters 18.85, 18.86, 18.235 RCW and the rules promulgated thereunder.

(2) Cooperating with the department in an investigation, audit or licensing matter.

(3) Being knowledgeable of chapters 18.85, 18.86, and 18.235 RCW and their related rules.

(4) Keeping the real estate program informed of his or her current mailing address.

(5) Following the designated broker's written policy on referral of home inspectors.

(6) Being appropriately licensed.

(7) Delivering transaction documents and brokerage service contracts to designated broker or delegated managing broker within two business days of mutual acceptance.

(8) Following licensing laws and rules regarding:

(a) Safe handling of customer/client funds and property.

(b) Timely delivery of customer/client funds or property.

(c) Proper and legal advertising.

(d) Modifying or terminating brokerage service contract on behalf of the firm.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-137 Managing broker delegated responsibilities.** If delegated by the designated broker, the managing brokers responsibilities include, but are not limited to, ensuring:

(1) Monthly reconciliation of trust bank accounts are completed, up-to-date and accurate.

(2) Monthly trial balances are completed, accurate and up-to-date.

(3) ~~((The))~~ Trial balance and the reconciliation show the account(s) are in balance.

(4) Policies or procedures are in place to account for safe handling of customer or client funds or property.

(5) Required records are maintained and up-to-date.

(6) Advertising is proper and legal.

(7) Timely review of contracts.

(8) Brokerage service contracts are modified or terminated appropriately on behalf of the firm.

(9) Persons employed, contracted or representing the firm that the managing broker has delegated authority to supervise are appropriately licensed.

(10) Brokers and managing brokers ~~((timely))~~ submit their transaction documents to the designated broker or delegated managing broker ~~((if delegated))~~ within two business days of mutual acceptance.

(11) Proper and adequate supervision of brokers and managing brokers, and heighten supervision of brokers that are licensed for less than two years.

(12) Accessibility of the firm's offices and records to the director's authorized representatives, and must ensure that copies of required records are made available upon demand.

(13) All affiliated licensees are following the designated brokers written policy on:

(a) Referral of home inspectors.

(b) Levels of supervision for all brokers and managing brokers.

~~((All brokers' (with less than two years of licensure) transactions are reviewed within five calendar days of client's signature.~~

This review must be evidenced with the designated broker or delegated managing broker's initials and date on the first page of each brokerage service contract.) Review of all brokerage service contracts involving any broker licensed for less than two years. Review must be completed within five business days of mutual acceptance. Documented proof of review shall be maintained by the firm at their record locations.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-140 Broker responsibilities.** Broker responsibilities include, but are not limited to:

(1) Assuring all real estate brokerage services in which he/she participated are in accordance with chapters 18.85, 18.86, 18.235 RCW and the rules promulgated thereunder.

(2) Cooperating with the department in an investigation, audit or licensing matter.

(3) Being knowledgeable of chapters 18.85, 18.86, and 18.235 RCW and their related rules.

(4) Keeping the real estate program informed of his or her current mailing address.

(5) Following the designated broker's written policy on referral of home inspectors.

(6) Being appropriately licensed.

(7) Delivering transaction documents and brokerage service contracts to designated broker or delegated managing broker within two business days of mutual acceptance.

(8) Following licensing laws and rules regarding:

- (a) Safe handling of customer/client funds and property.
- (b) Timely delivery of ~~((transaction documents, brokerage service contracts and))~~ customer/client funds or property.
- (c) Proper and legal advertising.
- (d) Modifying or terminating brokerage service contracts on behalf of the firm.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124C-145 Broker responsibilities (with less than two years experience).** Broker responsibilities (with less than two years experience) include, but are not limited to:

- (1) All the responsibilities listed in WAC 308-124C-140.
- (2) Being subject to a heightened degree of supervision for the initial two years of licensing which includes:
  - (a) Participating in all required reviews of real estate brokerage agreements and services by the designated broker or appointed managing broker.
  - (b) Submitting evidence of completion of department required clock hour education courses to the designated broker or appointed managing broker.
  - (c) Securing advice or assistance from the designated broker or appointed managing broker when offering brokerage services beyond the broker's level of expertise.
  - (d) Timely submission of brokerage service contracts, documents and funds to the appropriate managing broker or designated broker in accordance with designated broker's document and contract review policy.

AMENDATORY SECTION (Amending WSR 10-06-078, filed 3/1/10, effective 7/1/10)

**WAC 308-124E-100 Delivery of client funds~~(s)~~ and negotiable instruments ~~((and transaction documents))~~.** All brokers and managing brokers will ~~((deliver or transmit all transaction records and brokerage agreements; and))~~ physically deliver all funds, moneys, negotiable instruments or items of value to the appropriate managing broker, branch manager or their designated broker within the shorter of the following:

- (1) Two business days of the client's/customer's signature (business days are not Saturday, Sunday or other legal holidays as defined in RCW 1.16.050); or
- (2) Sooner if the terms of the client/customer contract necessitate quicker delivery than two business days.

Preproposal statement of inquiry was filed as WSR 10-09-069.

Title of Rule and Other Identifying Information: Amendment of chapter 51-56 WAC, adoption and amendment of the 2009 Edition of the Uniform Plumbing Code (UPC).

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at the Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail krista.braaksma@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 586-0772 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule amends the 2009 Edition of the UPC to specify that all water heater installations in garages must be elevated eighteen inches off the floor.

Reasons Supporting Proposal: RCW 19.27.031 and 19.27.074.

Statutory Authority for Adoption: RCW 19.27.031 and 19.27.074.

Statute Being Implemented: Chapters 19.27 and 34.05 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: The council is seeking comments on the issues proposed in the rules shown below.

Name of Proponent: Washington state building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Krista Braaksma, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2964; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. During review of the proposed changes, the technical advisory group did not identify any items with potential disproportionate cost impact to small business.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this section as one of the agencies required to comply with this statute.

June 11, 2010  
John C. Cochran  
Council Chair

**WSR 10-16-032**  
**PROPOSED RULES**  
**BUILDING CODE COUNCIL**  
[Filed July 26, 2010, 10:19 a.m.]

Original Notice.

AMENDATORY SECTION (Amending WSR 10-03-101, filed 1/20/10, effective 7/1/10)

**WAC 51-56-0500 Chapter 5—Water heaters.**

**501.0 General.** The regulations of this chapter shall govern the construction, location, and installation of fuel burning and other water heaters heating potable water. The minimum capacity for water heaters shall be in accordance with the first hour rating listed in Table 5-1. See the Mechanical Code for combustion air and installation of all vents and their connectors. All design, construction, and workmanship shall be in conformity with accepted engineering practices, manufac-

turer's installation instructions, and applicable standards and shall be of such character as to secure the results sought to be obtained by this Code. No water heater shall be hereinafter installed which does not comply in all respects with the type and model of each size thereof approved by the authority having jurisdiction. A list of accepted gas appliance standards is included in Table 14-1.

TABLE 5-1<sup>1,3</sup>

Number of Bathrooms	1 to 1.5			2 to 2.5				3 to 3.5			
	1	2	3	2	3	4	5	3	4	5	6
Number of Bedrooms	1	2	3	2	3	4	5	3	4	5	6
First Hour Rating <sup>2</sup> , Gallons	42	54	54	54	67	67	80	67	80	80	80

Notes: <sup>1</sup>The first hour rating is found on the "Energy Guide" label.  
<sup>2</sup>Nonstorage and solar water heaters shall be sized to meet the appropriate first hour rating as shown in the table.  
<sup>3</sup>For replacement water heaters, see Section 101.4.1.1.1.

- 502.2 Chimney** – Delete definition.
- 502.3 Chimney, Factory-Built** – Delete definition.
- 502.4 Chimney, Masonry** – Delete definition.
- 502.5 Chimney, Metal** – Delete definition.
- 502.7 Direct Vent Appliance** – Delete definition.
- 502.8 Flue Collar** – Delete definition.
- 502.9 Gas Vent, Type B** – Delete definition.
- 502.10 Gas Vent, Type L** – Delete definition.
- 502.12 Vent** – Delete definition.
- 502.13 Vent Connector** – Delete definition.
- 502.14 Venting System** – Delete definition.
- 504.1 Inspection of Chimneys or Vents.** Delete paragraph.
- 505.1 Location.** Water heater installation in bedrooms and bathrooms shall comply with one of the following:
  - (1) Fuel-burning water heaters may be installed in a closet located in the bedroom or bathroom provided the closet is equipped with a listed, gasketed door assembly and a listed self-closing device. The self-closing door assembly shall meet the requirements of Section 505.1.1. The door assembly shall be installed with a threshold and bottom door seal and shall meet the requirements of Section 505.1.2. All combustion air for such installations shall be obtained from the outdoors in accordance with the International Mechanical Code. The closet shall be for the exclusive use of the water heater.
  - (2) Water heater shall be of the direct vent type.
- 506.2** All storage-type water heaters deriving heat from fuels or types of energy other than gas, shall be provided with, in addition to the primary temperature controls, an over-temperature safety protection device constructed, listed, and installed in accordance with nationally recognized applicable standards for such devices and a combination temperature and pressure relief valve.

**507.0 Combustion Air.** For issues relating to combustion air, see the Mechanical Code.

Sections 507.1 through 507.9 are not adopted.

Sections 508.6 through 508.9 are not adopted.

**508.12 Delete entire section.**

**508.14 Installation in Residential Garages.**

(1) Appliances in residential garages and in adjacent spaces that open to the garage and are not part of the living space of a dwelling unit shall be installed so that burners, burner-ignition devices and ignition sources are located not less than 18 inches above the floor unless listed as flammable vapor ignition resistant.

(2) Such appliances shall be located or protected so it is not subject to physical damage by a moving vehicle.

(3) When appliances are installed in a separate enclosed space having access only from outside of the garage, such appliances shall be permitted to be installed at floor level, providing the required combustion air is taken from the exterior of the garage.

**508.18 Venting of Flue Gases - Delete entire section.**

Sections 508.20 through 508.24.5 are not adopted.

**510.0 Venting of Equipment.** Delete entire section.

**511.0 Sizing of Category I Venting Systems.** Delete entire section.

**512.0 Direct Vent Equipment.** Delete entire section.

Chapter 5, Part II is not adopted.

**WSR 10-16-033  
 PROPOSED RULES  
 BUILDING CODE COUNCIL**

[Filed July 26, 2010, 10:20 a.m.]

Original Notice.  
 Preproposal statement of inquiry was filed as WSR 09-05-050.

Title of Rule and Other Identifying Information:  
 Amendment of chapter 51-52 WAC, adoption and amendment of the 2009 Edition of the International Mechanical

Code (IMC) and International Fuel Gas Code (IFGC); 2009 Edition of the National Fuel Gas Code (NFPA 54); and the 2008 Edition of the Liquefied Petroleum Gas Code (NFPA 58).

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at the Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail [krista.braaksma@ga.wa.gov](mailto:krista.braaksma@ga.wa.gov), fax (360) 586-9383, by September 24, 2010

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 586-0772 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules amend the 2009 Edition of the IMC to state that exhaust from enclosed parking garages is considered environmental air and is required to meet the separation requirements for environmental air ducts.

Reasons Supporting Proposal: RCW 19.27.031 and 19.27.074.

Statutory Authority for Adoption: RCW 19.27.031 and 19.27.074.

Statute Being Implemented: Chapters 19.27 and 34.05 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: The council is seeking comments on the issues proposed in the rules shown below.

Name of Proponent: Washington state building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Krista Braaksma, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2964; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. During review of the proposed changes, the technical advisory group and the economic and regulator assessment committee did not identify any items with potential disproportionate cost impact to small business.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this section as one of the agencies required to comply with this statute.

June 11, 2010  
John C. Cochran  
Council Chair

AMENDATORY SECTION (Amending WSR 10-03-099, filed 1/20/10, effective 7/1/10)

**WAC 51-52-0202 Section 202—General definitions.**

**ENVIRONMENTAL AIR.** Air that is conveyed to or from occupied areas through ducts which are not part of the heating or air-conditioning system, such as ventilation for human usage, domestic kitchen range exhaust, domestic clothes dryer exhaust, transformer vault exhaust and parking garage exhaust.

**SOURCE SPECIFIC VENTILATION.** A mechanical ventilation system including all fans, controls, and ducting, which is dedicated to exhausting contaminant-laden air to the exterior of the building from the room or space in which the contaminant is generated.

**UNUSUALLY TIGHT CONSTRUCTION.** Construction meeting the following requirements:

1. Walls exposed to the outdoor atmosphere having a continuous water vapor retarder with a rating of 1 perm (57 ng/s·m<sup>2</sup>·Pa) or less with openings gasketed or sealed; and
2. Operable windows and doors meeting the air leakage requirements of the *International Energy Conservation Code*, Section 502.1.4; and
3. Caulking or sealants are applied to areas such as joints around window and door frames, between sole plates and floors, between wall-ceiling joints, between wall panels, at penetrations for plumbing, electrical and gas lines, and at other openings; or
4. Buildings built in compliance with the 1986 or later editions of the Washington State Energy Code, chapter 51-11 WAC, Northwest Energy Code, or Super Good Cents weath-erization standards or equivalent.

**WHOLE HOUSE VENTILATION SYSTEM.** A mechanical ventilation system, including fans, controls, and ducts, which replaces, by direct or indirect means, air from the habitable rooms with outdoor air.

AMENDATORY SECTION (Amending WSR 10-03-099, filed 1/20/10, effective 7/1/10)

**WAC 51-52-0501 Section 501—General.**

**501.2 Exhaust discharge.** The air removed by every mechanical exhaust system shall be discharged outdoors at a point where it will not cause a nuisance and not less than the distances specified in Section 501.2.1. The air shall be discharged to a location from which it cannot again be readily drawn in by a ventilating system. Air shall not be exhausted into an attic or crawlspace.

- EXCEPTIONS:
1. Whole-house cooling fans shall be permitted to discharge into the attic space of dwelling units having private attics.
  2. Commercial cooking recirculating systems.

**501.2.1 Location of exhaust outlets.** The termination point of exhaust outlets and ducts discharging to the outdoors shall be located with the following minimum distances:

1. **For ducts conveying explosive or flammable vapors, fumes or dusts:** 30 feet (9144 mm) from the property line; 10 feet (3048 mm) from operable openings into the building; 6 feet (1829 mm) from exterior walls and roofs; 30 feet (9144 mm) from combustible walls and operable openings into the building which are in the direction of the exhaust discharge; 10 feet (3048 mm) above adjoining grade.

2. **For other product-conveying outlets:** 10 feet (3048 mm) from property lines; 3 feet (914 mm) from exterior walls and roofs; 10 feet (3048 mm) from operable openings into the building; 10 feet (3048 mm) above adjoining grade.

3. **For all environmental air exhaust ((~~other than enclosed parking garage and transformer vault exhaust~~)):** 3 feet (914 mm) from property lines, 3 feet (914 mm) from operable openings into buildings for all occupancies other than Group U, and 10 feet (3048 mm) from mechanical air intakes. Such exhaust shall not be considered hazardous or noxious.

## EXCEPTIONS:

1. The separation between an air intake and exhaust outlet on a single listed package HVAC unit.
2. Exhaust from environmental air systems other than garages may be discharged into an open parking garage.
3. Except for Group I occupancies, where ventilation system design circumstances require building HVAC air to be relieved, such as during economizer operation, such air may be relieved into an open or enclosed parking garage within the same building.

4. Exhaust outlets serving structures in flood hazard areas shall be installed at or above the design flood level.

5. ~~((For enclosed parking garage exhaust system outlets and transformer vault exhaust system outlets: 10 feet (3048 mm) from property lines which separate one lot from another; 10 feet (3048 mm) from operable openings into buildings; 10 feet (3048 mm) above adjoining grade.~~

6-)) 5. For elevator machinery rooms in enclosed or open parking garages: Exhaust outlets may discharge air directly into the parking garage.

~~((7-))~~ 6. For specific systems see the following sections:

~~((7-1))~~ 6.1 Clothes dryer exhaust, Section 504.4.

~~((7-2))~~ 6.2 Kitchen hoods and other kitchen exhaust equipment, Sections 506.3, 506.4 and 506.5.

~~((7-3))~~ 6.3 Dust stock and refuse conveying systems, Section 511.

~~((7-4))~~ 6.4 Subslab soil exhaust systems, Section 512.4.

~~((7-5))~~ 6.5 Smoke control systems, Section 513.10.3.

~~((7-6))~~ 6.6 Refrigerant discharge, Section 1105.7.

~~((7-7))~~ 6.7 Machinery room discharge, Section 1105.6.1.

**Reviser's note:** The typographical error in the above section occurred in the copy filed by the agency and appears in the Register pursuant to the requirements of RCW 34.08.040.

**WSR 10-16-043****PROPOSED RULES****BUILDING CODE COUNCIL**

[Filed July 26, 2010, 4:47 p.m.]

Original Notice.

Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: Amendment of chapter 51-50 WAC, Washington State Building Code and chapter 51-54 WAC, Washington State Fire Code.

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at the Senate Hearing

Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail joanne.mccaughan@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 753-7427 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Chapter 51-50 WAC, Washington State Building Code and chapter 51-54 WAC, Washington State Fire Code.

WAC 51-50-1005.1: Will provide consistency between past and future egress width requirements in the Building Code.

IFC Section 1005.1: Will provide consistency between past and future egress width requirements in the Fire Code.

Reasons Supporting Proposal: The council finds that enforcement of the 2009 IBC section 1005 Egress Width would be extremely problematic and cause extensive confusion in the application of the building code statewide. The exception provided in the emergency rule makes the requirement consistent with the latest standard for health and safety. Enforcing the code as published in 2009 would require building designs to meet a significantly expanded prescriptive width requirement. The design changes would result in a period of time in which buildings use a radically different egress system, resulting in major economic impacts for building owners and designers and confusion resulting in a lack of compliance compromising public health and safety. The latest code as adopted by the International Code Council for publication in 2012 requires alternative safety systems which provide greater safety without radical and costly design changes.

Statutory Authority for Adoption: RCW 19.27.074.

Statute Being Implemented: Chapter 19.27 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Will provide continuity and prevent future confusion and fiscal impacts due to inconsistent egress width requirements over time.

Name of Proponent: State building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Joanne McCaughan, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2970; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The changes will clarify existing rules and will have no disproportionate impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this

section as one of the agencies required to comply with this statute.

July 26, 2010  
John C. Cochran  
Chair

## NEW SECTION

### **WAC 51-50-1005 Section 1005—Egress width.**

**1005.1 Minimum required egress width.** The means of egress width shall not be less than required by this section. The total width of means of egress in inches (mm) shall not be less than the total occupant load served by the means of egress multiplied by 0.3 inches (7.62 mm) per occupant for stairways and by 0.2 inches (5.08 mm) per occupant for other egress components. The width shall not be less than specified elsewhere in this code. Multiple means of egress shall be sized such that the loss of any one means of egress shall not reduce the available capacity to less than 50 percent of the required capacity. The maximum capacity required from any story of a building shall be maintained to the termination of the means of egress.

EXCEPTIONS:

1. Means of egress complying with Section 1028.
2. For other than H and I-2 occupancies, the total width of means of egress in inches (mm) shall not be less than the total occupant load served by the means of egress multiplied by 0.2 inches (5.1 mm) per occupant for stairways and by 0.15 inches (3.8 mm) per occupant for other egress components in buildings that are provided with sprinkler protection in accordance with 903.3.1.1 or 903.3.1.2 and an emergency voice/alarm communication system in accordance with 907.5.2.2.

AMENDATORY SECTION (Amending WSR 09-04-027, filed 1/28/09, effective 7/1/10)

### **WAC 51-54-1000 Chapter 10—Means of egress.**

#### **Section 1005-Egress width.**

**1005.1 Minimum required egress width.** The means of egress width shall not be less than required by this section. The total width of means of egress in inches (mm) shall not be less than the total occupant load served by the means of egress multiplied by 0.3 inches (7.62 mm) per occupant for stairways and by 0.2 inches (5.08 mm) per occupant for other egress components. The width shall not be less than specified elsewhere in this code. Multiple means of egress shall be sized such that the loss of any one means of egress shall not reduce the available capacity to less than 50 percent of the required capacity. The maximum capacity required from any story of a building shall be maintained to the termination of the means of egress.

EXCEPTIONS:

1. Means of egress complying with Section 1028.
2. For other than H and I-2 occupancies, the total width of means of egress in inches (mm) shall not be less than the total occupant load served by the means of egress multiplied by 0.2 inches (5.1 mm) per occupant for stairways and by 0.15 inches (3.8 mm) per occupant for other egress components in buildings that are provided with sprinkler protection in accordance with 903.3.1.1 or 903.3.1.2 and an emergency

voice/alarm communication system in accordance with 907.5.2.2.

**1007.1 Accessible means of egress required.** Accessible means of egress shall comply with this section. Accessible spaces shall be provided with not less than one accessible means of egress. Where more than one means of egress are required by Section 1015.1 or 1021.1 from any accessible space, each accessible portion of the space shall be served by not less than two accessible means of egress.

EXCEPTIONS:

1. Accessible means of egress are not required in alterations to existing buildings.
2. One accessible means of egress is required from an accessible mezzanine level in accordance with Section 1007.3, 1007.4 or 1007.5.
3. In assembly areas with sloped or stepped aisles, one accessible means of egress is permitted where the common path of travel is accessible and meets the requirements in Section 1028.8.
4. In parking garages, accessible means of egress are not required to serve parking areas that do not contain accessible parking spaces.

**1007.8 Two-way communication.** A two-way communication system shall be provided at the elevator landing on each accessible floor that is one or more stories above or below the story of exit discharge complying with Sections 1007.8.1 and 1007.8.2.

EXCEPTIONS:

1. Two-way communication systems are not required at the elevator landing where two-way communication is provided within the areas of refuge in accordance with Section 1007.6.3.
2. Two-way communication systems are not required on floors provided with exit ramps conforming to provisions of Section 1010.

**1007.8.1 System requirements.** Two-way communication systems shall provide communication between each required location and the fire command center or a central control point location approved by the fire department. Where the central control point is not constantly attended, a two-way communication system shall have a timed automatic telephone dial-out capability to a monitoring location. The two-way communication system shall include both audible and visible signals. The two-way communication system shall have a battery backup or an approved alternate source of power that is capable of 90 minutes use upon failure of the normal power source.

**1008.1.2 Door swing.** Egress doors shall be side-hinged swinging.

EXCEPTIONS:

1. Private garages, office areas, factory and storage areas with an occupant load of 10 or less.
2. Group I-3 Occupancies used as a place of detention.
3. Critical or intensive care patient rooms within suites of health care facilities.
4. Doors within or serving a single dwelling unit in Groups R-2 and R-3 as applicable in Section 101.2.
5. In other than Group H Occupancies, revolving doors complying with Section 1008.1.3.1.
6. In other than Group H Occupancies, horizontal sliding doors complying with Section 1008.1.3.3 are permitted in a means of egress.
7. Power-operated doors in accordance with Section 1008.1.3.2.
8. Doors serving a bathroom within an individual sleeping unit in Group R-1.

9. In other than Group H Occupancies, manually operated horizontal sliding doors are permitted in a means of egress from spaces with an occupant load of 10 or less.

Doors shall swing in the direction of egress travel where serving an occupant load of 50 or more persons or a Group H Occupancy.

The opening force for interior side-swinging doors without closers shall not exceed a 5-pound (22 N) force. For other side-swinging, sliding, and folding doors, the door latch shall release when subjected to a 15-pound (67 N) force. The door shall be set in motion when subjected to a 30-pound (133 N) force. The door shall swing to a full-open position when subjected to a 15-pound (67 N) force. Forces shall be applied to the latch side.

~~(1008.1.8.3 Locks and latches.~~ Locks and latches shall be permitted to prevent operation of doors where any of the following exists:

1. Places of detention or restraint.

2. In buildings in occupancy Group A having an occupant load of 300 or less, Group B, F, M and S, and in places of religious worship, the main exterior door or doors are permitted to be equipped with key-operated locking devices from the egress side provided:

2.1 The locking device is readily distinguishable as locked.

2.2 A readily visible durable sign is posted on the egress side on or adjacent to the door stating: THIS DOOR TO REMAIN UNLOCKED WHEN BUILDING IS OCCUPIED. The sign shall be in letters 1 inch (25 mm) high on a contrasting background; and

2.3 The use of the key-operated locking device is revocable by the fire code official for due cause.

3. Where egress doors are used in pairs, approved automatic flush bolts shall be permitted to be used, provided that the door leaf having the automatic flush bolts has no door-knob or surface-mounted hardware.

4. Doors from individual dwelling or sleeping units of Group R occupancies having an occupant load of 10 or less are permitted to be equipped with a night latch, dead bolt or security chain, provided such devices are openable from the inside without the use of a key or tool.

5. Approved, listed locks without delayed egress shall be permitted in nursing homes or portions of nursing homes, and boarding homes licensed by the state of Washington, provided that:

5.1 The clinical needs of one or more patients require specialized security measures for their safety;

5.2 The doors unlock upon actuation of the automatic sprinkler systems or automatic fire detection system;

5.3 The doors unlock upon loss of electrical power controlling the lock or lock mechanism;

5.4 The lock shall be capable of being deactivated by a signal from a switch located in an approved location; and

5.5 There is a system, such as a keypad and code, in place that allows visitors, staff persons and appropriate residents to exit. Instructions for exiting shall be posted within six feet of the door.

~~1009.12 Stairways in individual dwelling units.~~ Stairs or ladders within an individual dwelling unit used for access to areas of 200 square feet (18.6 m<sup>2</sup>) or less, and not containing the primary bathroom or kitchen, are exempt from the requirements of Section 1009.

~~1014.2.2 Group I-2.~~ Habitable rooms or suites in Group I-2 Occupancies shall have an exit access door leading directly to a corridor.

EXCEPTION: Rooms with exit doors opening directly to the outside at ground level.

~~1014.2.2.1 Definition.~~ For the purposes of this section, a suite is defined as a cluster of rooms or spaces sharing common circulation. Partitions within a suite are not required to have smoke or fire-resistance-rated construction unless required by another section of this Code.

~~1014.2.3 Suites in patient sleeping areas.~~ Patient sleeping areas in Group I-2 Occupancies shall be permitted to be divided into suites if one of the following conditions is met:

1. The intervening room within the suite is not used as an exit access for more than eight patient beds.

2. The arrangement of the suite allows for direct and constant visual supervision by nursing personnel.

~~1014.2.3.1 Area.~~ Suites of sleeping rooms shall not exceed 5,000 square feet (465 m<sup>2</sup>).

~~1014.2.3.2 Exit access.~~ Any patient sleeping room, or any suite that includes patient sleeping rooms, of more than 1,000 square feet (93 m<sup>2</sup>) shall have at least two exit access doors remotely located from each other.

~~1014.2.3.3 Travel distance.~~ The travel distance between any point in a suite of sleeping rooms and an exit access door of that suite shall not exceed 100 feet (30,480 mm).

~~1014.2.4 Suites in areas other than patient sleeping areas.~~ Areas other than patient sleeping areas in Group I-2 Occupancies shall be permitted to be divided into suites.

~~1014.2.4.1 Area.~~ Suites of rooms, other than patient rooms, shall not exceed 10,000 square feet (929 m<sup>2</sup>).

~~1014.2.4.2 Exit access.~~ Any rooms or suite of rooms, other than patient sleeping rooms, of more than 2,500 square feet (232 m<sup>2</sup>) shall have at least two exit access doors remotely located from each other.

~~1014.2.4.3 One intervening room.~~ For rooms other than patient sleeping rooms, suites of rooms are permitted to have one intervening room if the travel distance within the suite is not greater than 100 feet (30,480 mm).

~~1014.2.4.4 Two intervening rooms.~~ For rooms other than patient sleeping rooms located within a suite, exit access travel from within the suite shall be permitted through two intervening rooms where the travel distance to the exit access door is not greater than 50 feet (15,240 mm).

~~1014.2.5 Travel distance.~~ The travel distance between any point in a Group I-2 Occupancy patient room and an exit access door in that room shall not exceed 50 feet (15,240 mm).

**1014.2.6 Separation.** Suites in Group I-2 Occupancies shall be separated from other portions of the building by a smoke partition complying with Section 710.

**1015.1 Exits or exit access doorways from spaces.** Two exits or exit access doorways from any space shall be provided where one of the following conditions exists:

1. The occupant load of the space exceeds one of the values in Table 1015.1.

**EXCEPTION:** One means of egress is permitted within and from dwelling units with a maximum occupant load of 20 where the dwelling unit is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1.

2. The common path of egress travel exceeds one of the limitations of Section 1014.3.

3. Where required by Sections 1015.3, 1015.4, 1015.5, 1015.6 or 1015.6.1.

**EXCEPTION:** Group I-2 Occupancies shall comply with Section 1014.2.2.

**TABLE 1015.1  
SPACES WITH ONE MEANS OF EGRESS**

OCCUPANCY	MAXIMUM OCCUPANT LOAD
A, B, E <sup>a</sup> , F, M, U	49
H-1, H-2, H-3	3
H-4, H-5, I-1, I-3, I-4, R	10
S	29

a. Day care maximum occupant load is 10.

**1015.1.1 Three or more exits or exit access doorways.** Three exits or exit access doorways shall be provided from any space with an occupant load of 501-1,000. Four exits or exit access doorways shall be provided from any space with an occupant load greater than 1,000.

**1019.1 Exits from stories.** All spaces within each story shall have access to the minimum number of exits as specified in Table 1019.1 based on the occupant load of the story, except as modified in Section 1019.2. For the purposes of this chapter, occupied roofs shall be provided with exits as required for stories. The required number of exits from any story, including basements, shall be maintained until arrival at grade or the public way.

**EXCEPTION:** One means of egress is permitted within and from dwelling units with a maximum occupant load of 20 where the dwelling unit is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1.

**TABLE 1019.1  
MINIMUM NUMBER OF EXITS FOR OCCUPANT LOAD**

OCCUPANT LOAD (persons per story)	MINIMUM NUMBER OF EXITS (per story)
1-500	2
501-1,000	3
More than 1,000	4

**1019.2 Buildings with one exit.** Only one exit shall be required in buildings as specified below:

1. Buildings meeting the limitations of Table 1019.2, provided the building has not more than one level below the first story above grade plane.

2. Buildings of Group R-3 Occupancy.

3. Single-level buildings with occupied spaces at the level of exit discharge provided each space complies with Section 1015.1 as a space with one exit or exit access doorway.

**TABLE 1019.2  
BUILDINGS WITH ONE EXIT**

OCCUPANCY	MAXIMUM HEIGHT OF BUILDING ABOVE GRADE PLANE	MAXIMUM OCCUPANTS (OR DWELLING UNITS) PER FLOOR AND TRAVEL DISTANCE
A, B <sup>d</sup> , E <sup>e</sup> , F, M, U	1 Story	49 occupants and 75-foot travel distance
H-2, H-3	1 Story	3 occupants and 25-foot travel distance
H-4, H-5, I, R	1 Story	10 occupants and 75-foot travel distance
S <sup>a</sup>	1 Story	29 occupants and 100-foot travel distance
B <sup>b</sup> , F, M, S <sup>a</sup>	2 Stories	30 occupants and 75-foot travel distance
R-2	2 Stories <sup>c</sup>	4 dwelling units and 50-foot travel distance

For SI: 1 foot = 304.8 mm.

a. For the required number of exits for open parking structures, see Section 1019.1.1.

b. For the required number of exits for air traffic control towers, see Section 412.1.

c. Buildings classified as Group R-2 equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 or 903.3.1.2 and provided with emergency escape and rescue openings in accordance with Section 1026 shall have a maximum height of three stories above grade plane.

d. Buildings equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 with an occupancy in Group B shall have a maximum travel distance of 100 feet.

e. Day care maximum occupant load is 10.)

**1008.1.9.3 Locks and latches.** Locks and latches shall be permitted to prevent operation of doors where any of the following exists:

1. Places of detention or restraint.

2. In buildings in occupancy Group A having an occupant load of 300 or less, Groups B, F, M and S, and in places of religious worship, the main exterior door or doors are permitted to be equipped with key-operated locking devices from the egress side provided:

- 2.1 The locking device is readily distinguishable as locked;

2.2 A readily visible sign is posted on the egress side on or adjacent to the door stating: THIS DOOR TO REMAIN UNLOCKED WHEN BUILDING IS OCCUPIED. The sign shall be in letters 1 inch (25 mm) high on a contrasting background; and

2.3 The use of the key-operated locking device is revocable by the building official for due cause.

3. Where egress doors are used in pairs, approved automatic flush bolts shall be permitted to be used, provided that the door leaf having the automatic flush bolts has no door-knob or surface-mounted hardware.

4. Doors from individual dwelling or sleeping units of Group R occupancies having an occupant load of 10 or less are permitted to be equipped with a night latch, dead bolt, or security chain, provided such devices are openable from the inside without the use of a key or a tool.

5. Fire doors after the minimum elevated temperature has disabled the unlatching mechanism in accordance with listed fire door test procedures.

6. Approved, listed locks without delayed egress shall be permitted in Group R-2 boarding homes licensed by Washington state, provided that:

6.1. The clinical needs of one or more patients require specialized security measures for their safety.

6.2. The doors unlock upon actuation of the automatic sprinkler system or automatic fire detection system.

6.3. The doors unlock upon loss of electrical power controlling the lock or lock mechanism.

6.4. The lock shall be capable of being deactivated by a signal from a switch located in an approved location.

6.5. There is a system, such as a keypad and code, in place that allows visitors, staff persons and appropriate residents to exit. Instructions for exiting shall be posted within six feet of the door.

**1008.1.9.6 Special locking arrangements in Group I-2.** Approved locks shall be permitted in a Group I-2 Occupancy where the clinical needs of persons receiving care require such locking. Locks shall be permitted in such occupancies where the building is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 or an approved automatic smoke or heat detection system installed in accordance with Section 907, provided that the doors unlock in accordance with Items 1 through 6 below.

1. The doors unlock upon actuation of the automatic sprinkler system or automatic fire detection system.

2. The doors unlock upon loss of power controlling the lock or lock mechanism.

3. The door locks shall have the capability of being unlocked by a signal from the fire command center, a nursing station or other approved location.

4. The procedures for the operation(s) of the unlocking system shall be described and approved as part of the emergency planning and preparedness required by Chapter 4 of the International Fire Code.

5. There is a system, such as a keypad and code, in place that allows visitors, staff persons and appropriate residents to exit. Instructions for exiting shall be posted within six feet of the door.

6. Emergency lighting shall be provided at the door.

EXCEPTION: Items 1, 2, 3, and 5 shall not apply to doors to areas where persons which because of clinical needs require

restraint or containment as part of the function of a Group I-2 mental hospital provided that all clinical staff shall have the keys, codes or other means necessary to operate the locking devices.

**1009.15 Stairways in individual dwelling units.** Stairs or ladders within an individual dwelling unit used for access to areas of 200 square feet (18.6 m<sup>2</sup>) or less, and not containing the primary bathroom or kitchen, are exempt from the requirements of Section 1009.

**1010.1 Scope.** The provisions of this section shall apply to ramps used as a component of a means of egress.

EXCEPTIONS:

1. Other than ramps that are part of the accessible routes providing access in accordance with Sections 1108.2 through 1108.2.4 and 1108.2.6, ramped aisles within assembly rooms or spaces shall conform with the provisions in Section 1028.11.

2. Curb ramps shall comply with ICC A117.1.

3. Vehicle ramps in parking garages for pedestrian exit access shall not be required to comply with Sections 1010.3 through 1010.9 when they are not an accessible route serving accessible parking spaces or other required accessible elements.

4. In a parking garage where one accessible means of egress serving accessible parking spaces or other accessible elements is provided, a second accessible means of egress serving that area may include a vehicle ramp that does not comply with Sections 1010.4 through 1010.8.

**1014.2.2 Group I-2. General.** Habitable spaces and suites in Group I-2 Occupancies are permitted to comply with this Section 1014.2.2.

**1014.2.2.1 Exit access doors.** Habitable spaces and suites in Group I-2 Occupancies shall have an exit access door leading directly to a corridor.

EXCEPTION: Rooms with exit doors opening directly to the outside at ground level.

**1014.2.2.2 Exit access through suites.** Exit access from areas not classified as a Group I-2 Occupancy suite shall not pass through a suite. In a suite required to have more than one exit, one exit access may pass through an adjacent suite if all other requirements of Section 1014.2 are satisfied.

**1014.2.2.3 Separation.** Suites in Group I-2 Occupancies shall be separated from other portions of the building by a smoke partition complying with Section 711. Partitions within suites are not required to be smoke-resistant or fire-resistance-rated unless required by another section of this Code.

**1014.2.2.4 Suites containing patient sleeping areas.** Patient sleeping areas in Group I-2 Occupancies shall be permitted to be divided into suites with one intervening room if one of the following conditions is met:

1. The intervening room within the suite is not used as an exit access for more than eight patient beds.

2. The arrangement of the suite allows for direct and constant visual supervision by nursing personnel.

**1014.2.2.4.1 Area.** Suites of sleeping rooms shall not exceed 5,000 square feet (465 m<sup>2</sup>).

**1014.2.2.4.2 Exit access.** Any patient sleeping room, or any suite that includes patient sleeping rooms, of more than 1,000

square feet (93 m<sup>2</sup>) shall have at least two exit access doors located in accordance with Section 1015.2.

**1014.2.2.4.3 Travel distance.** The travel distance between any point in a suite of sleeping rooms and an exit access door of that suite shall not exceed 100 feet (30,480 mm). The travel distance between any point in a Group I-2 Occupancy patient sleeping room and an exit access door in that room shall not exceed 50 feet (15,240 mm).

**1014.2.2.5 Suites not containing patient sleeping areas.** Areas other than patient sleeping areas in Group I-2 Occupancies shall be permitted to be divided into suites that comply with Sections 1014.2.2.5.1 through 1014.2.2.5.4.

**1014.2.2.5.1 Area.** Suites of rooms, other than patient sleeping rooms, shall not exceed 10,000 square feet (929 m<sup>2</sup>).

**1014.2.2.5.2 Exit access.** Any room or suite of rooms, other than patient sleeping rooms, of more than 2,500 square feet (232 m<sup>2</sup>) shall have at least two exit access doors located in accordance with Section 1015.2.

**1014.2.2.5.3 One intervening room.** For rooms other than patient sleeping rooms, suites of rooms are permitted to have one intervening room if the travel distance within the suite to the exit access door is not greater than 100 feet (30,480 mm).

**1014.2.2.5.4 Two intervening rooms.** For rooms other than patient sleeping rooms located within a suite, exit access travel from within the suite shall be permitted through two intervening rooms where the travel distance to the exit access door is not greater than 50 feet (15,240 mm).

**1018.5 Air movement in corridors.** Corridors shall not serve as supply, return, exhaust, relief or ventilation air ducts.

**EXCEPTIONS:**

1. Use of a corridor as a source of makeup air for exhaust systems in rooms that open directly onto such corridors, including toilet rooms, bathrooms, dressing rooms, smoking lounges and janitor closets, shall be permitted, provided that each such corridor is directly supplied with outdoor air at a rate greater than the rate of makeup air taken from the corridor.
2. Where located within a dwelling unit, the use of corridors for conveying return air shall not be prohibited.
3. Where located within tenant spaces of one thousand square feet (93 m<sup>2</sup>) or less in area, utilization of corridors for conveying return air is permitted.
4. Incidental air movement from pressurized rooms within health care facilities, provided that a corridor is not the primary source of supply or return to the room.
5. Where such air is part of an engineered smoke control system.
6. Air supplied to corridors serving residential occupancies shall not be considered as providing ventilation air to the dwelling units subject to the following:
  - 6.1 The air supplied to the corridor is one hundred percent outside air; and
  - 6.2 The units served by the corridor have conforming ventilation air independent of the air supplied to the corridor; and
  - 6.3 For other than high-rise buildings, the supply fan will automatically shut off upon activation of corridor smoke detectors which shall be spaced at no more than thirty feet (9,144 mm) on center along the corridor; or
  - 6.4 For high-rise buildings, corridor smoke detector activation will close required smoke/fire dampers at

the supply inlet to the corridor at the floor receiving the alarm.

**1018.6 Corridor continuity.** Fire-resistance-rated corridors shall be continuous from the point of entry to an exit, and shall not be interrupted by intervening rooms.

**EXCEPTIONS:**

1. Foyers, lobbies or reception rooms constructed as required for corridors shall not be construed as intervening rooms.
2. In Group R-2 boarding homes and residential treatment facilities licensed by Washington state, seating areas shall be allowed to be open to the corridor provided:
  - 2.1 The seating area is constructed as required for the corridor;
  - 2.2 The floor is separated into at least two compartments complying with Section 407.4;
  - 2.3 Each individual seating area does not exceed 150 square feet, excluding the corridor width;
  - 2.4 The combined total space of seating areas per compartment does not exceed 300 square feet, excluding the corridor width;
  - 2.5 Combustible furnishings located within the seating area shall be in accordance with the International Fire Code Section 805; and
  - 2.6 Emergency means of egress lighting is provided as required by Section 1006 to illuminate the area.

**WSR 10-16-044**

**PROPOSED RULES**

**BUILDING CODE COUNCIL**

[Filed July 26, 2010, 4:50 p.m.]

Original Notice.

Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: Amendment of chapter 51-50 WAC, Washington State Building Code and chapter 51-54 WAC, Washington State Fire Code.

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at the Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail joanne.mccaughan@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 753-7427 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Chapter 51-50 WAC, Washington State Building Code and chapter 51-54 WAC, Washington State Fire Code.

WAC 51-50-0903 Section 903.2.7: Will provide consistency between past and future sprinkler requirements for certain furniture stores in the Building Code.

WAC 51-54-0900 Section 903.2.7: Will provide consistency between past and future sprinkler requirements for certain furniture stores in the Fire Code.

Reasons Supporting Proposal: This amendment would provide a square foot threshold (5,000 sq. ft.) above which sprinklers would be required in Occupancy Group M where upholstered furniture is sold, including mattresses. Under the current provisions there is no threshold; as currently written, sprinklers would be required whenever a piece of upholstered furniture is present for sale, regardless of the square footage; this is essentially unenforceable by local officials. This was not intended to apply to all furniture stores, and could result in extreme economic impacts to small businesses if this editorial error is not corrected. The change would make the code consistent with the most current life safety code for firefighters. This is consistent with ICC codes being adopted in the 2012 cycle.

Statutory Authority for Adoption: RCW 19.27.074.

Statute Being Implemented: Chapter 19.27 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Will provide continuity and prevent future confusion and fiscal impacts due to inconsistent sprinkler requirements over time.

Name of Proponent: State building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Joanne McCaughan, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2970; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The changes will clarify existing rules and will have no disproportionate impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this section as one of the agencies required to comply with this statute.

July 26, 2010  
John C. Cochran  
Chair

AMENDATORY SECTION (Amending WSR 10-03-097, filed 1/20/10, effective 7/1/10)

**WAC 51-50-0903 Section 903—Automatic sprinkler systems.**

**903.2.1.6 Nightclub.** An automatic sprinkler system shall be provided throughout Group A-2 nightclubs as defined in this code. ~~((An existing nightclub constructed prior to July 1, 2006, shall be provided with automatic sprinklers not later than December 1, 2009.))~~

**903.2.3 Group E.** An automatic sprinkler system shall be provided for Group E Occupancies.

EXCEPTIONS: 1. Portable school classrooms, provided aggregate area of any cluster or portion of a cluster of portable school classrooms does not exceed 5,000 square feet

(1465 m<sup>2</sup>); and clusters of portable school classrooms shall be separated as required by the building code.

2. Group E occupancies with an occupant load of 50 or less, calculated in accordance with Table 1004.1.1.

**903.2.7 Group M.** An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy, where one of the following conditions exists:

1. A Group M fire area exceeds 12,000 square feet (1115 m<sup>2</sup>).

2. A Group M fire area is located more than three stories above grade plane.

3. The combined area of all Group M fire areas on all floors, including any mezzanines, exceeds 24,000 square feet (2230 m<sup>2</sup>).

4. Where a Group M occupancy that is used for the display and sale of upholstered furniture or mattresses exceeds 5000 square feet (464 m<sup>2</sup>).

**903.2.8 Group R.** An automatic fire sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

EXCEPTION: Group R-1 if all of the following conditions apply:

1. The Group R fire area is no more than 500 square feet and is used for recreational use only.
2. The Group R fire area is only one story.
3. The Group R fire area does not include a basement.
4. The Group R fire area is no closer than 30 feet from another structure.
5. Cooking is not allowed within the Group R fire area.
6. The Group R fire area has an occupant load of no more than 8.
7. A hand held (portable) fire extinguisher is in every Group R fire area.

AMENDATORY SECTION (Amending WSR 10-03-100, filed 1/20/10, effective 7/1/10)

**WAC 51-54-0900 Chapter 9—Fire protection systems.**

**902.1 Definitions.**

**ALERT SIGNAL.** See Section 402.1.

**ALERTING SYSTEM.** See Section 402.1.

**PORTABLE SCHOOL CLASSROOM.** A structure, transportable in one or more sections, which requires a chassis to be transported, and is designed to be used as an educational space with or without a permanent foundation. The structure shall be trailerable and capable of being demounted and relocated to other locations as needs arise.

**903.2.3 Group E.** An automatic sprinkler system shall be provided for Group E Occupancies.

EXCEPTIONS: 1. Portable school classrooms, provided aggregate area of any cluster or portion of a cluster of portable school classrooms does not exceed 5,000 square feet (1465 m<sup>2</sup>); and clusters of portable school classrooms shall be separated as required by the building code.  
2. Group E Occupancies with an occupant load of 50 or less, calculated in accordance with Table 1004.1.1.

**903.2.7 Group M.** An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy, where one of the following conditions exists:

1. A Group M fire area exceeds 12,000 square feet (1115 m<sup>2</sup>).

2. A group M fire area is located more than three stories above grade plane.

3. The combined area of all Group M fire areas on all floors, including any mezzanines, exceeds 24,000 square feet (2230 m<sup>2</sup>).

4. Where a Group M occupancy that is used for the display and sale of upholstered furniture or mattresses exceeds 5000 square feet (464 m<sup>2</sup>).

**903.2.8 Group R.** An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

EXCEPTION: Group R-1 if all of the following conditions apply:

1. The Group R fire area is no more than 500 square feet and is used for recreational use only.
2. The Group R fire area is on only one story.
3. The Group R fire area does not include a basement.
4. The Group R fire area is no closer than 30 feet from another structure.
5. Cooking is not allowed within the Group R fire area.
6. The Group R fire area has an occupant load of no more than 8.
7. A hand held (portable) fire extinguisher is in every Group R fire area.

**903.6.3 Nightclub.** Existing nightclubs constructed prior to July 1, 2006, shall be provided with automatic sprinklers not later than December 1, 2009.

#### SECTION 906—PORTABLE FIRE EXTINGUISHERS

**906.1 Where required.** Portable fire extinguishers shall be installed in the following locations:

1. In new and existing Group A, B, E, F, H, I, M, R-1, R-2, R-4 and S occupancies.

2. Within 30 feet (9144 mm) of commercial cooking equipment.

3. In areas where flammable or combustible liquids are stored, used or dispensed.

4. On each floor of structures under construction, except Group R-3 occupancies, in accordance with Section 1415.1.

5. Where required by the sections indicated in Table 906.1.

6. Special-hazard areas, including, but not limited to, laboratories, computer rooms and generator rooms, where required by the fire code official.

#### SECTION 907—FIRE ALARM AND DETECTION SYSTEMS

**[F] 907.2.8 Group R-1.** Fire alarm systems, smoke alarms and carbon monoxide alarms shall be installed in Group R-1 occupancies as required in this section and Section 907.2.8.4.

**[F] 907.2.8.4. Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in sleeping units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.8.4.1 Existing sleeping units.** Existing sleeping units shall be equipped with carbon monoxide alarms by July 1, 2011.

**[F] 907.2.8.4.2 Alarm requirements.** Single station carbon monoxide alarms shall be listed as complying with UL 2034 and shall be installed in accordance with this code and the manufacturer's installation instructions.

**[F] 907.2.9 Group R-2.** Fire alarm systems, smoke alarms and carbon monoxide alarms shall be installed in Group R-2 occupancies as required in Sections 907.2.9.1 through 907.2.9.3.

**907.2.9.1 Group R-2 boarding homes.** A manual fire alarm system shall be installed in Group R-2 occupancies where the building contains a boarding home licensed by the state of Washington.

EXCEPTION: In boarding homes licensed by the state of Washington, manual fire alarm boxes in resident sleeping areas shall not be required at exits if located at all constantly attended staff locations, provided such staff locations are visible, continuously accessible, located on each floor, and positioned so no portion of the story exceeds a horizontal travel distance of 200 feet to a manual fire alarm box.

**[F] 907.2.9.3 Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in dwelling units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.9.3.1 Existing dwelling units.** Existing dwelling units shall be equipped with carbon monoxide alarms by July 1, 2011.

**[F] 907.2.10 Group R-3.** Carbon monoxide alarms shall be installed in Group R-3 occupancies as required in Sections 907.2.10.1 through 907.2.10.3.

**[F] 907.2.10.1 Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in dwelling units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.10.2 Existing dwelling units.** Existing dwelling units shall be equipped with carbon monoxide alarms by July 1, 2011.

EXCEPTION: Owner-occupied Group R-3 residences legally occupied prior to July 1, 2010.

**[F] 907.2.10.3 Alarm requirements.** Single station carbon monoxide alarms shall be listed as complying with UL 2034 and shall be installed in accordance with this code and the manufacturer's installation instructions.

**909.6.3 Elevator shaft pressurization.** Where elevator shaft pressurization is required to comply with Exception 6 of IBC Section 708.14.1, the pressurization system shall comply with and be maintained in accordance with IBC 708.14.2.

**909.6.3.1 Activation.** The elevator shaft pressurization system shall be activated by a fire alarm system which shall include smoke detectors or other approved detectors located near the elevator shaft on each floor as approved by the building official and fire code official. If the building has a fire alarm panel, detectors shall be connected to, with power supplied by, the fire alarm panel.

**909.6.3.2 Power system.** The power source for the fire alarm system and the elevator shaft pressurization system shall be in accordance with Section 909.11.

#### SECTION 915 ALERTING SYSTEMS

**915.1 General.** An approved alerting system shall be provided in buildings and structures as required in chapter 4 and this section, unless other requirements are provided by another section of this code.

EXCEPTION: Approved alerting systems in existing buildings, structures or occupancies.

**915.2 Power source.** Alerting systems shall be provided with power supplies in accordance with Section 4.4.1 of NFPA 72 and circuit disconnecting means identified as "EMERGENCY ALERTING SYSTEM."

EXCEPTION: Systems which do not require electrical power to operate.

**915.3 Duration of Operation.** The alerting system shall be capable of operating under nonalarm condition (quiescent load) for a minimum of 24 hours and then shall be capable of operating during an emergency condition for a period of 15 minutes at maximum connected load.

**915.4 Combination system.** Alerting system components and equipment shall be allowed to be used for other purposes.

**915.4.1 System priority.** The alerting system use shall take precedence over any other use.

**915.4.2 Fire alarm system.** Fire alarm systems sharing components and equipment with alerting systems must be in accordance with Section 6.8.4 of NFPA 72.

**915.4.2.1 Signal priority.** Recorded or live alert signals generated by an alerting system that shares components with a fire alarm system shall, when actuated, take priority over fire alarm messages and signals.

**915.4.2.2 Temporary deactivation.** Should the fire alarm system be in the alarm mode when such an alerting system is actuated, it shall temporarily cause deactivation of all fire alarm-initiated audible messages or signals during the time period required to transmit the alert signal.

**915.4.2.3 Supervisory signal.** Deactivation of fire alarm audible and visual notification signals shall cause a supervisory signal for each notification zone affected in the fire alarm system.

**915.5 Audibility.** Audible characteristics of the alert signal shall be in accordance with Section 7.4.1 of NFPA 72 throughout the area served by the alerting system.

EXCEPTION: Areas served by approved visual or textual notification, where the visible notification appliances are not also used as a fire alarm signal, are not required to be

provided with audibility complying with Section 915.6.

**915.6 Visibility.** Visible and textual notification appliances shall be permitted in addition to alert signal audibility.

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

#### WSR 10-16-076

#### PROPOSED RULES

#### WASHINGTON STATE PATROL

[Filed July 30, 2010, 9:57 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-092.

Title of Rule and Other Identifying Information: Chapter 204-24 WAC, Traction devices.

Hearing Location(s): General Administration Building, Room G21, Conference Room, 210 11th Avenue, Olympia, WA 98504, on September 9, 2010, at 9:30 a.m.

Date of Intended Adoption: September 9, 2010.

Submit Written Comments to: Melissa Van Gorkom, P.O. Box 42600, Olympia, WA 98504-2600, e-mail melissa.vangorkom@wsp.wa.gov, fax (360) 596-4015, by September 9, 2010.

Assistance for Persons with Disabilities: Contact Melissa Van Gorkom by September 7, 2010, or (360) 596-4017.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Provides clarifying language for the certification process of an alternative traction tire device in WAC 204-24-070 and provides a definition for alternative traction tire device in WAC 204-24-015.

Reasons Supporting Proposal: Provides clarifying language.

Statutory Authority for Adoption: RCW 46.37.005 and 46.37.420.

Rule is not necessitated by federal law, federal or state court decision.

Name of Agency Personnel Responsible for Drafting and Implementation: Melissa Van Gorkom, General Administration Building, P.O. Box 42600, Olympia, WA 98504-2600, (360) 596-4017; and Enforcement: Washington State Patrol, General Administration Building, P.O. Box 42600, Olympia, WA 98504-2600, (360) 596-4017.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The language being proposed is clarifying language to a process that is already in place. It is not anticipated that there will be a cost to small businesses associated with this proposed change.

A cost-benefit analysis is not required under RCW 34.05.328. The proposal provides clarifying language regarding a process already in place.

July 28, 2010

John R. Batiste  
Chief

AMENDATORY SECTION (Amending WSR 08-24-030, filed 11/24/08, effective 12/25/08)

**WAC 204-24-015 Definitions.** (1) "All wheel drive" means a vehicle which has four-wheel drive capability and may be driven with all wheels in gear.

(2) "Alternative traction device (ATD)" means pneumatically driven chains which, when engaged, spin under the drive wheels automatically as traction is lost or a traction device differing from metal chains in construction, material or design but capable of providing traction equal to or exceeding that of such metal chains under similar conditions.

(3) "Cable laid rope" means a compound laid rope consisting of several ropes or several layers of strands laid together into one rope.

~~((3))~~ (4) "Cable tire chains" means any ladder-type cable tire chain assemblies designed for use on tires that have been manufactured in accordance with the standards of the Tire & Rim Association, Inc.; 3200 West Market Street; Akron, Ohio 44313.

~~((4))~~ (5) "Cross cable fastener" means any suitable fastener used to attach each cross cable to the side cable. The fastener must be constructed and assembled to prevent accidental detachment.

~~((5))~~ (6) "Cross cable traction reinforcement sleeves" means a device that is constructed of the manufacturer's specified material and of suitable length and width to maximize traction, braking, cornering and longevity.

~~((6))~~ (7) "Fastener" means any suitable connecting device, secured to one end of a side cable constructed so that it can connect to the opposing end and be easily closed (engaged or fastened) and be readily opened (released) by hand.

~~((7))~~ (8) "Link tire chains" means tire chains which consist of at least two chain loops, one on each side of the tire, connected by evenly spaced metal cross chains across the tire tread.

~~((8))~~ (9) "Reinforced cross cables" means stranded cable wrapped or covered to provide increased resistance to abrasive wear. This covering may be either a hard drawn spring wire, a high-carbon steel wire or nylon type 6 or 12. The wrapped or covered cable must be enclosed by traction reinforcement sleeves covering said cable essentially from side connector to side connector. Cross cable must be of specified length and provide proper drape over the tire tread.

~~((9))~~ (10) "Side cable" means stranded cable to complete one full circumference along the tire sidewall.

AMENDATORY SECTION (Amending WSR 08-24-030, filed 11/24/08, effective 12/25/08)

**WAC 204-24-070 Approval of tire chains or traction devices.** (1) Any tire chain, wheel chains, or studded tires(~~or other traction devices~~) meeting the standards in this chapter or certified under one of the following:

(a) Conformance to Federal Motor Vehicle Safety Standards, or, if none,

(b) Conformance to current standards and specifications of the Society of Automotive Engineers(~~or, if none,~~

~~(c) Certified for compliance by any recognized organization or agency such as, but not limited to, the American~~

~~National Standards Institute, or the American Association of Motor Vehicle Administrators;)) will be considered as an approved type chain, or studded tire(~~or other traction device by the state patrol~~).~~

(2) In order for an alternative traction device to be considered approved:

(a) The alternative traction device must be:

(i) Tested in accordance with a recognized standard; and

(ii) Meet or exceed the standard as compared to the results of a referenced tire chain approved for use in the United States tested using the same standard.

(b) The following information must be provided to the Washington state patrol:

(i) Certification of test results, which must contain the following statement "I certify that the test methods, conditions and results reported are accurate and complete" and bear the signature of the tester.

(ii) A copy of the testing standards used.

(iii) Documentation of the testing results, which must include the data produced for each test comparing the alternative traction device to the referenced tire chain.

(3) Links to the Code of Federal Regulations are available on the Washington state patrol web site at [www.wsp.wa.gov](http://www.wsp.wa.gov). Copies of the CFR may also be ordered through the United States Government Printing Office, 732 N. Capitol Street, N.W., Washington, D.C. 20401. Copies of the SAE standards are available for review at the Washington State Patrol, 210 11th Avenue, Olympia, WA 98504, and may also be ordered from the Society of Automotive Engineers International, 400 Commonwealth Drive, Warrendale, PA 15096.

## WSR 10-16-077

### PROPOSED RULES

#### WASHINGTON STATE PATROL

[Filed July 30, 2010, 10:01 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-093.

Title of Rule and Other Identifying Information: Chapter 204-21 WAC, Flashing warning lamps.

Hearing Location(s): General Administration Building, Room G21, Conference Room, 210 11th Avenue, Olympia, WA 98504, on September 9, 2010, at 9:15 a.m.

Date of Intended Adoption: September 9, 2010.

Submit Written Comments to: Melissa Van Gorkom, P.O. Box 42600, Olympia, WA 98504-2600, e-mail [melissa.vangorkom@wsp.wa.gov](mailto:melissa.vangorkom@wsp.wa.gov), fax (360) 596-4015, by September 9, 2010.

Assistance for Persons with Disabilities: Contact Melissa Van Gorkom by September 7, 2010, (360) 596-4017.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Provides clarifying language which would remove redundant information from WAC 204-10-140 and outline definition for terms used in WAC 204-10-140 under WAC 204-10-020.

Reasons Supporting Proposal: Provides clarifying language.

Statutory Authority for Adoption: RCW 46.37.005 and 46.37.320.

Rule is not necessitated by federal law, federal or state court decision.

Name of Agency Personnel Responsible for Drafting and Implementation: Melissa Van Gorkom, General Administration Building, P.O. Box 42600, Olympia, WA 98504-2600, (360) 596-4017; and Enforcement: Washington State Patrol, General Administration Building, P.O. Box 42600, Olympia, WA 98504-2600, (360) 596-4017.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The language being removed is already codified under another section in chapter 204-21 WAC. It is not anticipated that there will be a cost to small businesses associated with this proposed change.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Melissa Van Gorkom, P.O. Box 42600, Olympia, WA 98504-2600, phone (360) 596-4017, fax (360) 596-4015, e-mail wsprules@wsp.wa.gov.

July 28, 2010  
John R. Batiste  
Chief

AMENDATORY SECTION (Amending WSR 08-19-104, filed 9/17/08, effective 10/18/08)

**WAC 204-21-020 Definitions.** (1) "Agricultural equipment" means any farm vehicle required by RCW 46.37.160 to have hazard warning lamps.

(2) "Animal control vehicle" means any vehicle, either publicly or privately owned, which is used primarily for transportation of animals to or from animal shelters, humane society facilities, or veterinary medicine facilities.

~~((2))~~ (3) "Authorized emergency vehicle" means any vehicle of any fire department, police department, sheriff's office, coroner, prosecuting attorney, Washington state patrol, ambulance service, public or private, licensed by the department of social and health services or operated by any of the agencies named above, or any other vehicle authorized in writing by the state patrol.

~~((3))~~ (4) "CFR" means the Code of Federal Regulations.

~~((4))~~ (5) "Deceleration warning light," excluding stop lamps, means a device that indicates to a following driver the deceleration of the vehicle ahead.

~~((5))~~ (6) "Electronic light modulation" means the periodic change in intensity of light, controlled by an all electric modulating device in the electrical circuit of the lighting system.

~~((6))~~ (7) "Electronic modulation" means using one hundred percent electronic circuitry instead of mechanical metallic switches.

~~((7))~~ (8) "Emergency tow truck" means a motor vehicle that is especially designed and constructed principally for the purpose of recovery and/or towing of disabled, abandoned or damaged vehicles and not otherwise generally used in transporting goods or persons.

~~((8))~~ (9) "Flashing" means any lamp which emits a beam of light which is broken intermittently and regularly by

use of an electronic or electric switch, a rotating reflector, a rotating lamp, or a strobe lamp; or a lamp which emits a steady beam of light which is intermittently and regularly directed away from any viewer by means of a rotating or oscillating reflector or lamp assembly. Flashing lamps are not to be confused with modulated lamps which intermittently and regularly decrease the power to the lamp filament so as to dim the light output but do not cause a total break in the light beam.

~~((9))~~ (10) "FMVSS" means the Federal Motor Vehicle Safety Standards 49 Code of Federal Regulations (CFR) Part 571.

~~((10))~~ (11) "Hazardous materials response team vehicle" means any vehicle either publicly or privately owned which is used for responding to hazardous materials incidents.

~~((11))~~ (12) "Headlamp flashing system" means an automatic method for controlling the high beams from the headlamps so that they can be alternately flashed in sequence on opposite sides of the front of the vehicle as a warning signal.

~~((12))~~ (13) "Industrial equipment" means any vehicle which is authorized to use amber lamps under WAC 204-21-130 for the purpose of landscaping, construction services, loading, digging, grounds keeping, and highway maintenance.

(14) "Law enforcement agency" means any municipal, port district or tribal police department, county police department or sheriff's office, the Washington state patrol, or any other state or federal agency which is publicly authorized to carry out law enforcement duties which include the authority to stop and detain motor vehicles on the public highways of this state.

~~((13))~~ (15) "Law enforcement vehicle" means a publicly owned or leased vehicle operated by a law enforcement agency and which is used for the law enforcement functions of the agency.

~~((14))~~ (16) "Other construction and maintenance vehicle" means any vehicle owned or operated by a private company which is in the process of providing highway construction or maintenance services or is working in conjunction with any public utility.

~~((15))~~ (17) "Oversize unit" means any vehicle towing a load that exceeds legal dimensions which may be equipped with flashing amber lights in addition to any other lights required by law.

~~((16))~~ (18) "Percent modulation" equals time-weighted power input with modulation to headlamp divided by time-weighted power input without modulation to headlamp times one hundred.

~~((17))~~ (19) "Pilot car" means any vehicle which is used to provide escort for overlegal size loads upon the roadways of this state.

~~((18))~~ (20) "Private carrier bus" means every motor vehicle designed for the purpose of carrying passengers (having a seating capacity for eleven or more persons) used regularly to transport persons in furtherance of any organized agricultural, religious or charitable purpose. Such term does not include buses operated by common carriers under a franchise granted by any city or town or the Washington public utilities commission.

~~((19))~~ (21) "Public utilities vehicle" means any vehicle used for construction, operations, and maintenance, and which is owned or operated by a public or private utility, including, but not limited to, companies providing water, electricity, natural gas, telephone, television cable services, and railroads.

~~((20))~~ (22) "Rural newspaper carrier vehicle" means any vehicle driven on rural roads by carriers delivering newspapers on their route.

~~((21))~~ (23) "SAE" means the Society of Automotive Engineers. Copies of SAE Standards are available for review at the Washington State Patrol, P.O. Box 42600, Olympia, WA 98504-2600, and may also be ordered from the Society of Automotive Engineers International, 400 Commonwealth Drive, Warrendale, PA 15096-0001.

~~((22))~~ (24) "Search and rescue team vehicle" means any vehicle either publicly or privately owned which is used for responding to search and rescue situations.

~~((23))~~ (25) "Signal lamps" means red lamps mounted on the vehicle to be used in conjunction with the "stop signal" when the bus is loading or unloading passengers under certain conditions.

~~((24))~~ (26) "Tow truck" means any vehicle engaged in removing disabled or abandoned vehicles from the roadway and which is used primarily for that purpose.

AMENDATORY SECTION (Amending WSR 08-19-104, filed 9/17/08, effective 10/18/08)

**WAC 204-21-140 Flashing warning lamps.** Flashing warning lamps may be mounted at any height and must:

(1) Meet the SAE Standards outlined for the type of vehicle as outlined in the table below.

Vehicle Type	Standard Adopted
Agricultural equipment	SAE J974
<del>((Authorized emergency maintenance, volunteer firefighter, and service vehicles))</del>	<del>SAE J595))</del>
Industrial equipment	SAE J96

(2) Be mounted so that the entire projected area of the lens is visible from all eye heights of drivers of other vehicles at angles within forty-five degrees left to forty-five degrees right of the front of the vehicle. If the light within these required angles is blocked by the vehicle or any substantial object on it, an additional warning lamp must be displayed within the obstructed angle.

**WSR 10-16-079**  
**PROPOSED RULES**  
**WASHINGTON STATE PATROL**

[Filed July 30, 2010, 10:05 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-091.

Title of Rule and Other Identifying Information: Chapter 448-16 WAC, Administration of breath test program.

Hearing Location(s): General Administration Building, Room G21, Conference Room, 210 11th Avenue, Olympia, WA 98504, on September 9, 2010, at 10:00 a.m.

Date of Intended Adoption: September 9, 2010.

Submit Written Comments to: Dr. Fiona Couper, 2203 Airport Way South, Suite 360, Seattle, WA 98134, e-mail Fiona.couper@wsp.wa.gov, fax (206) 262-6145, by September 9, 2010.

Assistance for Persons with Disabilities: Contact Melissa Van Gorkom by September 7, 2010, (360) 596-4017.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Updating current language to coincide with amendments made to RCW 46.61.506. The language changes will include the approval of new evidentiary breath test instrument (Alcotest 9510) and amendments to the current "definitions," "test defined," and "solution changers" sections under chapter 448-16 WAC to allow for the use of either certified dry gas or simulator solutions.

Reasons Supporting Proposal: Provides clarifying language.

Statutory Authority for Adoption: RCW 46.61.506.

Statute Being Implemented: RCW 46.61.506.

Rule is not necessitated by federal law, federal or state court decision.

Name of Agency Personnel Responsible for Drafting and Implementation: Dr. Fiona Couper, 2203 Airport Way South, Suite 360, Seattle, WA 98134, (206) 262-6145; and Enforcement: Washington State Patrol, 2203 Airport Way South, Suite 360, Seattle, WA 98134, (206) 262-6145.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The language being proposed is to implement changes to RCW 46.61.506.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Melissa Van Gorkom, P.O. Box 42600, Olympia, WA 98504-2600, phone (360) 596-4017, fax (360) 596-4015, e-mail wsprules@wsp.wa.gov.

July 28, 2010

John R. Batiste

Chief

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-020 Approval of breath test equipment.**

(1) Pursuant to RCW 46.61.506, the following instruments are approved for the quantitative measurement of alcohol in a person's breath:

- (a) The DataMaster(-);
- (b) The DataMaster CDM; and
- (c) The Drager Alcotest 9510.

(2) Pursuant to RCW 46.61.506, the following thermometers are approved:

- (a) Mercury in glass thermometers with a scale graduated in tenths of a degree measuring a range between 33.5 and 34.5 degrees centigrade.

(b) Digital thermometer system contained within the Guth 2100 wet bath simulator.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-030 Definitions.** (1) "Accuracy" means the proximity of a measured value to a reference value.

(2) "Alcohol" means the unique chemical compound ethyl alcohol.

(3) "Blank test" means the testing of an instrument to ensure that no alcohol from a previous test can interfere with a person's breath test.

(4) "Concentration" means the weight amount of alcohol, expressed in grams, contained in two hundred ten liters of breath or alcohol/water vapor.

(5) "Data entry" means the process of providing information (~~(through a keyboard)~~) to the instrument for the purposes of ~~((a))~~ identifying a breath test document to an individual ~~((and (b) statistical analysis))~~.

(6) "Interference" means a test result whose infrared absorbance or electrochemical analysis properties are not consistent with ~~((ethanol))~~ ethyl alcohol.

(7) "End expiratory air" means the last portion of breath to be delivered to the instrument once the appropriate sample acceptance criteria have been met.

(8) "External standard test" means the ~~((use of))~~ process by which the accuracy of the instrument is verified, using a simulator containing a certified simulator solution ~~((, to provide a known alcohol vapor concentration to test the accuracy and proper working order of the instrument. This test of the function of the instrument is performed with every breath test. The external standard test does not calibrate the instrument))~~ or a compressed gas standard containing a known alcohol concentration.

(9) "Internal standard test" means the ~~((use of a quartz filter to provide a check that the instrument has maintained calibration since the last time calibration was performed and is in proper working order at the time of the test))~~ process by which the instrument calibration is verified.

(10) "Precision" means the ability of a technique to perform a measurement in a reproducible manner.

(11) "Simulator" means a device which when filled with a certified simulator solution, maintained at a known temperature, provides a vapor sample of known alcohol concentration.

(12) "Valid breath sample" means a sample of a person's breath provided in such a manner to be accepted for analysis by the instrument.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-040 Foreign substances, interference, and invalid samples.** (1) A determination as to whether a subject has a foreign substance in his or her mouth ~~((shall))~~ will be made by either an examination of the mouth or a denial by the person that he or she has any foreign substances in their mouth. A test mouthpiece is not considered a foreign substance for purposes of RCW 46.61.506.

(2) If a subject is wearing jewelry or ornamentation pierced through their tongue, lips, cheek, or other soft tissues in the oral cavity, they will be required to remove this prior to conducting the breath test. If the subject declines to remove the jewelry or ornamentation, they will be deemed to have a physical limitation rendering them incapable of providing a valid breath sample and will be required to provide a blood sample under the implied consent statute, RCW 46.20.308.

(3) If during a breath test, interference is detected, this will invalidate the test. The subject will be required to repeat the test. A subject whose breath registers the presence of interference on two or more successive breaths shall be deemed to have a physical limitation rendering them incapable of providing a valid breath sample and will be required to provide a blood sample under the implied consent statute, RCW 46.20.308.

(4) In the event that the instrument records an "invalid sample" result at any point during the subject's test, that subject's test should be readministered, after again determining that the subject has no foreign substance in their mouth as outlined in WAC 448-16-040(1), and repeating the fifteen minute observation period.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-050 Test defined.** A test of a person's breath for alcohol concentration ~~((shall))~~ will consist of the person ~~((insufflating))~~ exhaling end-expiratory air samples at least twice into the instrument, sufficient to allow two separate measurements. There will be sufficient time between the provision of each sample to permit the instrument to measure each sample individually. Two valid breath samples, provided consecutively, will constitute one test.

The instrument will perform this test according to the following protocol when being employed to quantitatively measure an individual's breath alcohol concentration. Successful compliance with each step of this protocol is determined from an inspection of the printout of results. These steps are necessary to ensure accuracy, precision, and confidence in each test.

Step 1. Data entry.

Step 2. Blank test with a result of .000.

Step 3. Internal standard verified.

Step 4. First breath sample provided by subject.

Step 5. Blank test with a result of .000.

Step 6. External standard ~~((simulator solution))~~ test. The result of this test must be between .072 and .088<sub>2</sub> inclusive.

Step 7. Blank test with a result of .000.

Step 8. Second breath sample provided by subject.

Step 9. Blank test with a result of .000.

Step 10. Printout of results.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-060 Determining agreement of duplicate breath samples.** Pursuant to RCW 46.61.506 the following method is approved for determining whether two breath samples agree to within plus or minus ten percent of their mean.

(1) The breath test results ~~((shall))~~ will be reported, truncated to three decimal places.

(2) For the DataMaster instruments, the mean of the two breath test results ~~((shall))~~ will be calculated and rounded to four decimal places. For the Drager instrument, the mean of all four results will be calculated and rounded to four decimal places.

(3) The lower acceptable limit ~~((shall))~~ will be determined by multiplying the above mean by 0.9, and truncating to three decimal places.

(4) The upper acceptable limit ~~((shall))~~ will be determined by multiplying the mean by 1.1 and truncating to three decimal places.

(5) If the individual results fall within and inclusive of the upper and lower acceptable limits, the two breath samples are valid.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-070 Review, approval, and authorization of protocols of procedures and methods by the state toxicologist.** The state toxicologist ~~((shall))~~ will review, approve, and authorize such protocols of procedures and methods (of the toxicologist's own promulgation or submitted by outside agencies or individuals for consideration) required in the administration of the breath test program. ~~((Such review, approval, and authorization will be so signified by a signed statement attached to each protocol, and kept on file by the Washington State Patrol.))~~ These protocols will be updated as necessary to maintain the quality of the breath test program.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-080 Instructors.** The state toxicologist ~~((shall))~~ will certify persons found to be competent and qualified, as "instructors." Instructors are authorized to administer breath tests for alcohol concentration using approved instruments and are further authorized to train and certify as operators, according to outlines approved by the state toxicologist, those persons the instructor finds qualified to administer the breath test utilizing approved instruments. Instructors who are also certified as PBT technicians may instruct other individuals as PBT technicians according to the approved outlines. ~~((Details of persons certified as instructors shall be maintained by the state toxicologist and available upon request.))~~

If an instructor fails or refuses to demonstrate to the state toxicologist ~~((or to his representative)),~~ that they have the ability to adequately perform their responsibilities as an instructor, then the state toxicologist will suspend their permit.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-090 Operators.** The state toxicologist, or certified instructors ~~((shall))~~ will certify as "operators" persons found by them to be competent and qualified to admin-

ister breath tests for alcohol concentration using approved breath testing instruments. ~~((Persons who have attended courses in the operation of approved breath testing instruments taught by an instructor qualified by the state toxicologist, upon certification of attendance and qualification, shall be designated as "operators." Details of persons so certified shall be maintained by the state toxicologist and available upon request.))~~

If an operator fails or refuses to demonstrate to the state toxicologist or to a certified instructor, that he or she has the ability to adequately perform his or her responsibilities as an operator, then the state toxicologist will suspend their permit.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-100 ~~((Solution))~~ External standard changers.** The state toxicologist, or certified instructors, ~~((shall))~~ will certify as "~~((solution))~~ external standard changers" operators found by them to be competent and qualified. In addition to being qualified as "operators" these persons must receive approved instruction covering the changing of simulator external standard solutions and compressed gas cylinders for approved breath test instruments, taught by ~~((an))~~ a certified instructor ~~((qualified by the state toxicologist. Details of persons so certified shall be maintained by the state toxicologist and available upon request.))~~

If ~~((a solution))~~ an external standard changer fails or refuses to demonstrate to the state toxicologist or to a certified instructor, that he or she has the ability to adequately perform his or her responsibilities as ~~((a solution))~~ an external standard changer, then the state toxicologist will suspend their permit.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-110 Technicians.** The state toxicologist ~~((shall))~~ will certify as "technicians" such persons found to be competent and qualified to maintain the proper working order of breath test instruments through adjustment, repair, and regular service. ~~((Details of persons so certified shall be maintained by the state toxicologist and available upon request.))~~

Technicians are authorized to perform maintenance, calibration and instruction in the use of the portable breath test devices. Technicians are also authorized to instruct persons otherwise qualified as "technicians," "instructors," "operators," and "~~((solution))~~ external standard changers" according to training outlines approved by the state toxicologist. Certified technicians are themselves authorized to perform the duties of "instructors," "operators," and "~~((solution))~~ external standard changers."

If a technician fails or refuses to demonstrate to the state toxicologist ~~((or his representative)),~~ that he or she has the ability to adequately perform his or her responsibilities as a technician, then the state toxicologist will suspend their permit.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-120 Permit cards.** Pursuant to RCW 46.61.506, the state toxicologist ~~((shall))~~ will authorize the issuance to persons deemed qualified as "instructors," "operators," "solution changers" or "technicians," a wallet-sized card bearing his or her name and designation. Permit cards ~~((shall))~~ will bear the signature or facsimile signature of the state toxicologist. Such permit cards ~~((shall))~~ will expire three years after the date on the card, unless renewed for a like three-year period. Operators whose authorization expires may take recertification training within ninety days following expiration of their prior certification, but are not certified to perform any evidential breath tests during that period. Once ninety days have elapsed after the expiration of authorization, the operator must repeat the basic certification training.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-130 Review, approval, and authorization by the state toxicologist of training courses and outlines.** The state toxicologist ~~((shall))~~ will approve and authorize such courses and course outlines (of ~~((his))~~ the toxicologist's own promulgation or submitted for consideration by outside agencies or individuals) required in the training of breath test program personnel. ~~((Such review, approval, and authorization will be so signified by a signed statement attached to each course outline. These course outlines may be reviewed and updated as necessary to maintain the quality of the breath test program.))~~ Instructors are directed to use only approved outlines in conducting the training of operators. ~~((Information concerning currently approved course outlines can be obtained on application to the office of the state toxicologist.))~~

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-140 Information concerning technical aspects of the breath test program.** All documents ((used)) and records produced by the state toxicologist and personnel involved in breath testing for the state of Washington ~~((, which))~~ are available on request ~~((include: The simulator solution preparation protocol, alcohol analysis protocol, certification document for simulator solution, affidavit from analyst of simulator solution, data base, quality assurance protocol, quality assurance procedure report, operator course outline, operator refresher course outline, and operator training record. A fee may be charged to cover the cost of providing these copies.))~~ Copies of most of these records are available at no charge on a web site maintained by the Washington state patrol at <http://breathtest.wsp.wa.gov/welcome.htm>.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-150 Address for correspondence.** Information regarding instrument records, or the certification of

operators, instructors, solution changers, and technicians should be obtained from the Washington State Patrol, Breath Test ~~((Section))~~ Program, 811 E. Roanoke, Seattle, WA 98102.

Persons seeking information regarding other aspects of the breath alcohol testing program ~~((shall))~~ will direct their request initially to the State Toxicologist, Washington State Toxicology Laboratory, Forensic Laboratory Services Bureau, Washington State Patrol, 2203 Airport Way S., Seattle, WA 98134.

AMENDATORY SECTION (Amending WSR 04-19-144, filed 9/22/04, effective 10/23/04)

**WAC 448-16-160 Severability.** If any part or provision of these rules or regulations or the application thereof is held invalid, such invalidity ~~((shall))~~ will not affect other provisions or applications of these rules which can be given effect without the invalid provision or application, and to this end any section, paragraph or sentence, is declared to be severable.

## WSR 10-16-090

### PROPOSED RULES

### DEPARTMENT OF EARLY LEARNING

[Filed July 30, 2010, 12:14 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 09-22-012.

Title of Rule and Other Identifying Information: Amending WAC 170-151-230 (school-age child care) What requirements must I meet for medication management?, 170-295-3060 (child care centers) Who can provide consent for me to give medication to the children in my care?, and 170-296-0870 (family home child care) How do I manage medications for children?

Hearing Location(s): Due to state budget cuts only one public hearing will be held, on **Wednesday, September 8, 2010, at 6:30 p.m. to 9:00 p.m.**, at the Department of Early Learning (DEL), Room 230, 649 Woodland Square Loop S.E., Lacey, WA 98503 (at the corner of College Street and Woodland Square Loop, above Harborstone Credit Union).

Those who cannot attend in-person may join the hearing by phone or on-line anytime from 6:30 to 9:00 p.m.:

- By telephone toll-free by calling **1-866-441-7284**. When directed by the operator, enter "PIN" number **454181** followed by the # (pound) key.
- At "Go to Meeting" on-line at <https://www2.gotomeeting.com/register/535332531>. You will need to give your name and e-mail address when registering.

DEL encourages sending your input in writing. See the "*Send written comments to*" section of this notice for the comment deadline and how to send written input on-line or by e-mail, fax or postal mail. All comments are considered equally, whether received at the public hearing or in writing.

The department will respond in writing to all comments on the proposed rules in a consolidated "concise explanatory statement" that DEL prepares for the final adoption of the rules. This statement is sent to everyone who comments on the proposal, and to anyone who asks for it. Please contact the DEL rules coordinator to request a copy of the concise explanatory statement.

Date of Intended Adoption: After September 14, 2010.

Submit Written Comments to: DEL Rules Coordinator, P.O. Box 40970, Olympia, WA 98504-0970, DEL on-line comment web site <https://apps.del.wa.gov/PolicyProposalComment/Detail.aspx>, e-mail [Rules@del.wa.gov](mailto:Rules@del.wa.gov), or fax (360) 725-4939, by 11:59 p.m. on September 9, 2010.

Assistance for Persons with Disabilities: Contact Andy Fernando, DEL rules coordinator, by September 1, 2010, (360) 725-4397 or by e-mail to [andres.fernando@del.wa.gov](mailto:andres.fernando@del.wa.gov).

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule adds "hand sanitizer gels" to the list of nonprescription medications that a licensed child care provider may administer to a child over twelve months of age, if the provider has obtained written permission from the child's parent or guardian.

Reasons Supporting Proposal: The department is amending rules regarding the use and administration of hand sanitizer gels with children in DEL-licensed child care to help limit the spread of flu viruses (including pandemic H1N1 flu) and other diseases.

The current rules create a potential barrier to using hand sanitizer gels. Alcohol-based hand sanitizers are regulated by the United States Food and Drug Administration as "over the counter" drugs, which under DEL rules are considered "non-prescription medications." Unless a nonprescription medication is specifically listed in the rules as allowed for administration with a parent's written permission, a physician's written authorization for each child is required. The proposed rules will help alleviate this barrier.

Statutory Authority for Adoption: RCW 43.215.200.

Statute Being Implemented: Chapter 43.215 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: DEL filed emergency rules on the use of hand sanitizing gels in DEL-licensed child care to help limit the spread of the H1N1 "Swine flu" virus, which had reached worldwide pandemic status according to the World Health Organization and federal Centers for Disease Control. See rules filed as WSR 09-22-011, 10-05-120, and 10-13-104. DEL intends to adopt permanent rules on hand sanitizer use.

The proposed rules do not require the use of hand sanitizer gels with children under the licensed child care provider's care, but allows their use with the required parental permission.

The department welcomes input posted to the on-line *DEL Facebook* page and *DEL Blog*. However, to assure receipt of the department's written response (the *concise explanatory statement*) to public comments on this proposal, written input must be submitted as described in the "*Send*

*written comments to*" section of this notice, and must include the sender's postal or e-mail address.

Name of Proponent: DEL, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Robert McLellan, Senior Assistant Director, DEL, Lacey, Washington, (360) 725-4569.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule is not expected to create more than minor costs for affected small businesses. Preparation of a small business economic impact statement is not required.

A cost-benefit analysis is not required under RCW 34.05.328. DEL is not listed among the state agencies required to comply with RCW 34.05.328.

July 30, 2010

Elizabeth M. Hyde

Director

AMENDATORY SECTION (Amending WSR 06-15-075, filed 7/13/06, effective 7/13/06)

**WAC 170-151-230 What requirements must I meet for medication management?** You may have a policy of not giving medication to the child in care. If your center's health care plan includes giving medication to the child in care, you:

(1) Must give medications, prescription and nonprescription, only on the written approval of a parent, person, or agency having authority by court order to approve medical care;

(2) Must give prescription medications:

(a) Only as specified on the prescription label; or

(b) As authorized, in writing, by a physician or other person legally authorized to prescribe medication.

(3) Must give the following classifications of nonprescription medications, with written parent authorization, only at the dose, duration, and method of administration specified on the manufacturer's label for the age or weight of the child needing the medication:

(a) Antihistamines;

(b) Nonaspirin fever reducers/pain relievers;

(c) Nonnarcotic cough suppressants;

(d) Decongestants;

(e) Anti-itching ointments or lotions, intended specifically to relieve itching;

(f) Diaper ointments and powders, intended specifically for use in the diaper area of the child; ~~((and))~~

(g) Sun screen; and

(h) Hand sanitizers.

(4) Must give other nonprescription medication:

(a) Not included in the categories listed in subsection (3) of this section; or

(b) Taken differently than indicated on the manufacturer's label; or

(c) Lacking labeled instructions, only when disbursement of the nonprescription medication is as required under subsection (4)(a), (b), and (c) of this section:

(i) Authorized, in writing, by a physician; or

(ii) Based on established medical policy approved, in writing, by a physician or other person legally authorized to prescribe medication.

(5) Must accept from the child's parent, guardian, or responsible relative only medicine in the original container, labeled with:

- (a) The child's first and last names;
  - (b) The date the prescription was filled; or
  - (c) The medication's expiration date; and
  - (d) Legible instructions for administration, such as manufacturer's instructions or prescription label.
- (6) Must keep medication, refrigerated or nonrefrigerated, in an orderly fashion and inaccessible to the child;
- (7) Must store external medication in a compartment separate from internal medication;
- (8) Must keep a record of medication disbursed;
- (9) Must return to the parent or other responsible party, or must dispose of medications no longer being taken; and
- (10) May, at your option, permit self-administration of medication by a child in care if:
- (a) The child is physically and mentally capable of properly taking medication without assistance;
  - (b) You include in the child's file a parental or physician's written statement of the child's capacity to take medication without assistance; and
  - (c) You have stored the child's medications and other medical supplies so the medications and medical supplies are inaccessible to other children in care.

**AMENDATORY SECTION** (Amending WSR 06-15-075, filed 7/13/06, effective 7/13/06)

**WAC 170-295-3060 Who can provide consent for me to give medication to the children in my care?** (1) Parents must give written consent before you give any child any medication. The parent's written consent must include:

- (a) Child's first and last name;
  - (b) Name of medication;
  - (c) Reason for giving medication;
  - (d) Amount of medication to give;
  - (e) How to give the medication (route);
  - (f) How often to give the medication;
  - (g) Start and stop dates;
  - (h) Expected side effects; and
  - (i) How to store the medication consistent with directions on the medication label.
- (2) The parent consent form is good for the number of days stated on the medication bottle for prescriptions. You may not give medication past the days prescribed on the medication bottle even if there is medication left.
- (3) You may give the following medications with written parent consent if the medication bottle label tells you how much medication to give based on the child's age and weight:
- (a) Antihistamines;
  - (b) Nonaspirin fever reducers/pain relievers;
  - (c) Nonnarcotic cough suppressants;
  - (d) Decongestants;
  - (e) Ointments or lotions intended to reduce or stop itching or dry skin;

(f) Diaper ointments and nontalc powders, intended only for use in the diaper area; (~~and~~)

(g) Sun screen for children over six months of age; and

(h) Hand sanitizers for children over twelve months of age.

(4) All other over the counter medications must have written directions from a health care provider with prescriptive authority before giving the medication.

(5) You may not mix medications in formula or food unless you have written directions to do so from a health care provider with prescriptive authority.

(6) You may not give the medication differently than the age and weight appropriate directions or the prescription directions on the medication label unless you have written directions from a health care provider with prescriptive authority before you give the medication.

(7) If the medication label does not give the dosage directions for the child's age or weight, you must have written instructions from a health care provider with prescriptive authority in addition to the parent consent prior to giving the medication.

(8) You must have written consent from a health care provider with prescriptive authority prior to providing:

- (a) Vitamins;
- (b) Herbal supplements; and
- (c) Fluoride.

**AMENDATORY SECTION** (Amending WSR 06-15-075, filed 7/13/06, effective 7/13/06)

**WAC 170-296-0870 How do I manage medications for children?** You must meet specific requirements for managing prescription and nonprescription medication for children under your care. Only you or another, primary staff person may perform the functions described in this section.

(1) You must have written approval of the child's parent or legal guardian to give the child any medication. This approval must not exceed thirty days.

(2) You must:

- (a) Keep a written record of all medications you give a child;
- (b) Return any unused medication to the parent or legal guardian of the child;
- (c) Give certain classifications of nonprescription medications, only with the dose and directions on the manufacturer's label for the age or weight of the child needing the medication. These nonprescribed medications include but are not limited to:

(i) Nonaspirin, fever reducers or pain relievers;

(ii) Nonnarcotic cough suppressants;

(iii) Decongestants;

(iv) Anti-itching ointments or lotions intended specifically to relieve itching;

(v) Diaper ointments and talc free powders intended specifically for use in the diaper area of children; (~~and~~)

(vi) Sun screen; and

(vii) Hand sanitizers for children over twelve months of age.

(3) You must not administer any nonprescribed medication for the purpose of sedating a child;

(4) You must not administer any prescribed medication in an amount or frequency other than that prescribed by a physician, psychiatrist or dentist;

(5) You must not give one child's medications to another child; and

(6) You must not use any prescribed medication to control a child's behavior unless a physician prescribes the medication for management of the child's behavior.

**WSR 10-16-093**  
**PROPOSED RULES**  
**BUILDING CODE COUNCIL**

[Filed July 30, 2010, 2:10 p.m.]

Original Notice.

Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: Amendment of chapter 51-50 WAC, Washington State Building Code.

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail joanne.mccaughan@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 753-7427 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Chapter 51-50 WAC, Washington State Building Code.

Section 504.3: Will change the maximum number of stories in Group R-1 and R-2 under certain conditions.

Section 504.4: Corrects numbering.

Reasons Supporting Proposal: Permits an additional story for wood-frame construction.

Statutory Authority for Adoption: RCW 19.27.074.

Statute Being Implemented: Chapter 19.27 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: State building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Joanne McCaughan, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2970; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. These provisions would allow, not require, an additional story on wood-frame construction; since the changes are optional, not mandatory, they will have no disproportionate impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this

section as one of the agencies required to comply with this statute.

July 26, 2010

John C. Cochran

Council Chair

NEW SECTION

**WAC 51-50-0504 Section 504—Height.**

**504.3 Stair enclosure pressurization increase.** For Group R1 and R2 occupancies in buildings of Type VA construction equipped throughout with an approved automatic sprinkler system in accordance with Section 903.3.1.1, the maximum number of stories permitted in Section 504.2 may be increased by one provided the interior exit stairways and ramps are pressurized in accordance with Section 909.20 and Section 909.11.

**504.4 Roof structures.** (Same as 2009 IBC except Section number revised)

**WSR 10-16-094**  
**PROPOSED RULES**  
**BUILDING CODE COUNCIL**

[Filed July 30, 2010, 2:26 p.m.]

Original Notice.

Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: Amendment of chapter 51-50 WAC, Washington State Building Code and chapter 51-54 WAC, Washington State Fire Code.

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail joanne.mccaughan@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 753-7427 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Chapter 51-54 WAC, State Fire Code. Chapter 51-50 WAC, Section 903.2.1.6: Will remove obsolete implementation dates and clarify the intent; chapter 51-54 WAC, Section 903.2.1.6: Will correct section numbering, remove obsolete implementation dates and clarify the intent; and Section 4603.4.3: Will remove obsolete implementation dates and clarify the intent.

Reasons Supporting Proposal: Clarifies code for consistent enforcement.

Statutory Authority for Adoption: RCW 19.27.074.

Statute Being Implemented: Chapter 19.27 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Will clarify intent and provide for consistent enforcement.

Name of Proponent: State building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Joanne McCaughan, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2970; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The changes will clarify existing rules and will have no disproportionate impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this section as one of the agencies required to comply with this statute.

July 26, 2010  
John C. Cochran  
Council Chair

AMENDATORY SECTION (Amending WSR 10-03-100, filed 1/20/10, effective 7/1/10)

**WAC 51-54-0900 Chapter 9—Fire protection systems.**

**902.1 Definitions.**

**ALERT SIGNAL.** See Section 402.1.

**ALERTING SYSTEM.** See Section 402.1.

**PORTABLE SCHOOL CLASSROOM.** A structure, transportable in one or more sections, which requires a chassis to be transported, and is designed to be used as an educational space with or without a permanent foundation. The structure shall be trailerable and capable of being demounted and relocated to other locations as needs arise.

**903.2.3 Group E.** An automatic sprinkler system shall be provided for Group E Occupancies.

**EXCEPTIONS:**

1. Portable school classrooms, provided aggregate area of any cluster or portion of a cluster of portable school classrooms does not exceed 5,000 square feet (1465 m<sup>2</sup>); and clusters of portable school classrooms shall be separated as required by the building code.
2. Group E Occupancies with an occupant load of 50 or less, calculated in accordance with Table 1004.1.1.

**903.2.8 Group R.** An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

**EXCEPTION:**

Group R-1 if all of the following conditions apply:

1. The Group R fire area is no more than 500 square feet and is used for recreational use only.
2. The Group R fire area is on only one story.
3. The Group R fire area does not include a basement.
4. The Group R fire area is no closer than 30 feet from another structure.
5. Cooking is not allowed within the Group R fire area.

6. The Group R fire area has an occupant load of no more than 8.

7. A hand held (portable) fire extinguisher is in every Group R fire area.

~~(903.6.3) 903.2.1.6 Nightclub.~~ ((Existing nightclubs constructed prior to July 1, 2006, shall be provided with automatic sprinklers not later than December 1, 2009.)) An automatic sprinkler system shall be provided throughout Group A-2 nightclubs as defined in this code.

**SECTION 906—PORTABLE FIRE EXTINGUISHERS**

**906.1 Where required.** Portable fire extinguishers shall be installed in the following locations:

1. In new and existing Group A, B, E, F, H, I, M, R-1, R-2, R-4 and S occupancies.
2. Within 30 feet (9144 mm) of commercial cooking equipment.
3. In areas where flammable or combustible liquids are stored, used or dispensed.
4. On each floor of structures under construction, except Group R-3 occupancies, in accordance with Section 1415.1.
5. Where required by the sections indicated in Table 906.1.
6. Special-hazard areas, including, but not limited to, laboratories, computer rooms and generator rooms, where required by the fire code official.

**SECTION 907—FIRE ALARM AND DETECTION SYSTEMS**

**[F] 907.2.8 Group R-1.** Fire alarm systems, smoke alarms and carbon monoxide alarms shall be installed in Group R-1 occupancies as required in this section and Section 907.2.8.4.

**[F] 907.2.8.4. Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in sleeping units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.8.4.1 Existing sleeping units.** Existing sleeping units shall be equipped with carbon monoxide alarms by July 1, 2011.

**[F] 907.2.8.4.2 Alarm requirements.** Single station carbon monoxide alarms shall be listed as complying with UL 2034 and shall be installed in accordance with this code and the manufacturer's installation instructions.

**[F] 907.2.9 Group R-2.** Fire alarm systems, smoke alarms and carbon monoxide alarms shall be installed in Group R-2 occupancies as required in Sections 907.2.9.1 through 907.2.9.3.

**907.2.9.1 Group R-2 boarding homes.** A manual fire alarm system shall be installed in Group R-2 occupancies where the building contains a boarding home licensed by the state of Washington.

**EXCEPTION:**

In boarding homes licensed by the state of Washington, manual fire alarm boxes in resident sleeping areas shall not be required at exits if located at all constantly attended staff locations, provided such staff locations are visible, continuously accessible, located on each floor, and positioned so no portion of the story

exceeds a horizontal travel distance of 200 feet to a manual fire alarm box.

**[F] 907.2.9.3 Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in dwelling units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.9.3.1 Existing dwelling units.** Existing dwelling units shall be equipped with carbon monoxide alarms by July 1, 2011.

**[F] 907.2.10 Group R-3.** Carbon monoxide alarms shall be installed in Group R-3 occupancies as required in Sections 907.2.10.1 through 907.2.10.3.

**[F] 907.2.10.1 Carbon monoxide alarms.** For new construction, an approved carbon monoxide alarm shall be installed by January 1, 2011, outside of each separate sleeping area in the immediate vicinity of the bedroom in dwelling units. In a building where a tenancy exists, the tenant shall maintain the CO alarm as specified by the manufacturer including replacement of the batteries.

**[F] 907.2.10.2 Existing dwelling units.** Existing dwelling units shall be equipped with carbon monoxide alarms by July 1, 2011.

EXCEPTION: Owner-occupied Group R-3 residences legally occupied prior to July 1, 2010.

**[F] 907.2.10.3 Alarm requirements.** Single station carbon monoxide alarms shall be listed as complying with UL 2034 and shall be installed in accordance with this code and the manufacturer's installation instructions.

**909.6.3 Elevator shaft pressurization.** Where elevator shaft pressurization is required to comply with Exception 6 of IBC Section 708.14.1, the pressurization system shall comply with and be maintained in accordance with IBC 708.14.2.

**909.6.3.1 Activation.** The elevator shaft pressurization system shall be activated by a fire alarm system which shall include smoke detectors or other approved detectors located near the elevator shaft on each floor as approved by the building official and fire code official. If the building has a fire alarm panel, detectors shall be connected to, with power supplied by, the fire alarm panel.

**909.6.3.2 Power system.** The power source for the fire alarm system and the elevator shaft pressurization system shall be in accordance with Section 909.11.

#### SECTION 915 ALERTING SYSTEMS

**915.1 General.** An approved alerting system shall be provided in buildings and structures as required in chapter 4 and this section, unless other requirements are provided by another section of this code.

EXCEPTION: Approved alerting systems in existing buildings, structures or occupancies.

**915.2 Power source.** Alerting systems shall be provided with power supplies in accordance with Section 4.4.1 of

NFPA 72 and circuit disconnecting means identified as "EMERGENCY ALERTING SYSTEM."

EXCEPTION: Systems which do not require electrical power to operate.

**915.3 Duration of Operation.** The alerting system shall be capable of operating under nonalarm condition (quiescent load) for a minimum of 24 hours and then shall be capable of operating during an emergency condition for a period of 15 minutes at maximum connected load.

**915.4 Combination system.** Alerting system components and equipment shall be allowed to be used for other purposes.

**915.4.1 System priority.** The alerting system use shall take precedence over any other use.

**915.4.2 Fire alarm system.** Fire alarm systems sharing components and equipment with alerting systems must be in accordance with Section 6.8.4 of NFPA 72.

**915.4.2.1 Signal priority.** Recorded or live alert signals generated by an alerting system that shares components with a fire alarm system shall, when actuated, take priority over fire alarm messages and signals.

**915.4.2.2 Temporary deactivation.** Should the fire alarm system be in the alarm mode when such an alerting system is actuated, it shall temporarily cause deactivation of all fire alarm-initiated audible messages or signals during the time period required to transmit the alert signal.

**915.4.2.3 Supervisory signal.** Deactivation of fire alarm audible and visual notification signals shall cause a supervisory signal for each notification zone affected in the fire alarm system.

**915.5 Audibility.** Audible characteristics of the alert signal shall be in accordance with Section 7.4.1 of NFPA 72 throughout the area served by the alerting system.

EXCEPTION: Areas served by approved visual or textual notification, where the visible notification appliances are not also used as a fire alarm signal, are not required to be provided with audibility complying with Section 915.6.

**915.6 Visibility.** Visible and textual notification appliances shall be permitted in addition to alert signal audibility.

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

AMENDATORY SECTION (Amending WSR 10-03-100, filed 1/20/10, effective 7/1/10)

#### WAC 51-54-4600 Chapter 46—Existing buildings.

#### CHAPTER 46 CONSTRUCTION REQUIREMENTS FOR EXISTING BUILDINGS

#### SECTION 4601 GENERAL

**4601.1 Scope.** The provisions of this chapter shall apply to existing buildings constructed prior to the adoption of this Code.

**4601.2 Intent.** The intent of this chapter is to provide a minimum degree of fire and life safety to persons occupying

buildings by providing for alterations to such existing buildings that do not comply with the minimum requirements of the International Building Code.

**4601.3 Permits.** Permits shall be required as set forth in Section 105.7 and the International Building Code and this Code.

**4601.4 Owner notification.** Where a building is found to be in noncompliance, the fire code official shall duly notify the owner of the building. Upon receipt of such notice, the owner shall, subject to the following time limits, take necessary actions to comply with the provisions of this chapter.

**4601.4.1 Construction documents.** Construction documents for the necessary alterations shall be completed within a time schedule approved by the fire code official.

**4601.4.2 Completion of work.** Work on the required alterations to the building shall be completed within a time schedule approved by the fire code official.

**4601.4.3 Extension of time.** The fire code official is authorized to grant necessary extensions of time when it can be shown that the specified time periods are not physically practical or pose an undue hardship. The granting of an extension of time for compliance shall be based on the showing of good cause and subject to the filing of an acceptable systematic plan of correction with the fire code official.

#### SECTION 4602 DEFINITIONS

**4602.1 Definitions.** The following word and term shall, for the purpose of this chapter and as used elsewhere in this Code, have the meaning shown herein.

**EXISTING.** Buildings, facilities or conditions that are already in existence, constructed or officially authorized prior to the adoption of this Code.

#### SECTION 4603 FIRE SAFETY REQUIREMENTS FOR EXISTING BUILDINGS

**4603.1 Required construction.** Existing buildings shall comply with not less than the minimum provisions specified in Table 4603.1 and as further enumerated in Sections 4603.2 through 4603.7.3.

The provisions of this chapter shall not be construed to allow the elimination of fire protection systems or a reduction in the level of fire safety provided in buildings constructed in accordance with previously adopted codes.

EXCEPTION: Group U occupancies.

**4603.2 Elevator operation.** Existing elevators with a travel distance of 25 feet (7620 mm) or more above or below the main floor or other level of a building and intended to serve the needs of emergency personnel for firefighting or rescue purposes shall be provided with emergency operation in accordance with ASME A17.3.

**4603.3 Vertical openings.** Interior vertical shafts, including, but not limited to, stairways, elevator hoistways, service and utility shafts, that connect two or more stories of a building, shall be enclosed or protected as specified in Sections 4603.3.1 through 4603.3.7.

**4603.3.1 Group I occupancies.** In Group I occupancies, interior vertical openings connecting two or more stories shall be protected with 1-hour fire-resistance-rated construction.

**4603.3.2 Three to five stories.** In other than Group I occupancies, interior vertical openings connecting three to five stories shall be protected by either 1-hour fire-resistance-rated construction or an automatic sprinkler system shall be installed throughout the building in accordance with Section 903.3.1.1 or 903.3.1.2.

EXCEPTIONS:

1. Vertical opening protection is not required for Group R-3 occupancies.
2. Vertical opening protection is not required for open parking garages and ramps.
3. Vertical opening protection is not required for escalators.

**4603.3.3 More than five stories.** In other than Group I occupancies, interior vertical openings connecting more than five stories shall be protected by 1-hour fire-resistance-rated construction.

EXCEPTIONS:

1. Vertical opening protection is not required for Group R-3 occupancies.
2. Vertical opening protection is not required for open parking garages and ramps.
3. Vertical opening protection is not required for escalators.

**TABLE 4603.1  
OCCUPANCY AND USE REQUIREMENTS**

SECTION	USE			OCCUPANCY CLASSIFICATION																			
	High Rise	Atrium and covered mall	Underground building	A	B	E	F	H-1	H-2	H-3	H-4	H-5	I-1	I-2	I-3	I-4	M	R-1	R-2	R-3	R-4	S	
4603.2	R		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
4603.3.1	R		R										R	R	R	R							
4603.3.2	R		R	R	R	R	R	R	R	R	R	R					R	R	R			R	R
4603.3.3	R		R	R	R	R	R	R	R	R	R	R					R	R	R			R	R
4603.3.4		R																					
4603.3.5					R												R						
4603.3.6				R		R	R	R	R	R	R	R	R	R	R	R		R	R	R	R	R	R
4603.3.7				R		R	R	R	R	R	R	R	R	R	R	R		R	R	R	R	R	R
4603.4				R			R		R	R							R						
4603.5	R		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R			R	R
4603.6.1						R																	
4603.6.2													R										
4603.6.3														R									
4603.6.4															R								
4603.6.5																	R						
4603.6.6																		R					
4603.6.7																						R	
4603.7																		R	R	R	R	R	R
4604.4	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R

R = The building is required to comply.

**4603.3.4 Atriums and covered malls.** In other than Group I occupancies, interior vertical openings in a covered mall building or a building with an atrium shall be protected by either 1-hour fire-resistance-rated construction or an automatic sprinkler system shall be installed throughout the building in accordance with Section 903.3.1.1 or 903.3.1.2.

- EXCEPTIONS:
1. Vertical opening protection is not required for Group R-3 occupancies.
  2. Vertical opening protection is not required for open parking garages and ramps.

**4603.3.5 Escalators in Group B and M occupancies.** Escalators creating vertical openings connecting any number of stories shall be protected by either 1-hour fire-resistance-rated construction or an automatic fire sprinkler system in accordance with Section 903.3.1.1 installed throughout the building, with a draft curtain and closely spaced sprinklers around the escalator opening.

**4603.3.6 Escalators connecting four or fewer stories.** In other than Group B and M occupancies, escalators creating vertical openings connecting four or fewer stories shall be protected by either 1-hour fire-resistance-rated construction or an automatic sprinkler system in accordance with Section 903.3.1.1 or 903.3.1.2 shall be installed throughout the building, and a draft curtain with closely spaced sprinklers shall be installed around the escalator opening.

**4603.3.7 Escalators connecting more than four stories.** In other than Group B and M occupancies, escalators creating vertical openings connecting five or more stories shall be protected by 1-hour fire-resistance-rated construction.

**4603.4 Sprinkler systems.** An automatic sprinkler system shall be provided in all existing buildings in accordance with Sections 4603.4.1 and 4603.4.2.

**4603.4.1 Pyroxylin plastics.** An automatic sprinkler system shall be provided throughout existing buildings where cellulose nitrate film or pyroxylin plastics are manufactured, stored or handled in quantities exceeding 100 pounds (45 kg).

Vaults located within buildings for the storage of raw pyroxylin shall be protected with an approved automatic sprinkler system capable of discharging 1.66 gallons per minute per square foot (68 L/min/m<sup>2</sup>) over the area of the vault.

**4603.4.2 Group I-2.** An automatic sprinkler system shall be provided throughout existing Group I-2 fire areas. The sprinkler system shall be provided throughout the floor where the Group I-2 occupancy is located, and in all floors between the Group I-2 occupancy and the level of exit discharge.

**4603.4.3 Nightclub.** An automatic sprinkler system shall be provided throughout Group A-2 nightclubs as defined in this code. ~~((An existing nightclub constructed prior to July 1, 2006, shall have been provided with automatic sprinklers not later than December 1, 2009.))~~ No building shall be constructed for, used for, or converted to occupancy as a nightclub except in accordance with this section.

**4603.5 Standpipes.** Existing structures with occupied floors located more than 50 feet (15,240 mm) above or below the lowest level of fire department vehicle access shall be equipped with standpipes installed in accordance with Section 905. The standpipes shall have an approved fire department connection with hose connections at each floor level above or below the lowest level of fire department access. The fire code official is authorized to approve the installation of manual standpipe systems to achieve compliance with this section where the responding fire department is capable of providing the required hose flow at the highest standpipe outlet.

**4603.6 Fire alarm systems.** An approved fire alarm system shall be installed in existing buildings and structures in accordance with Sections 4603.6.1 through 4603.6.7 and provide occupant notification in accordance with Section 907.6 unless other requirements are provided by other sections of this code.

- EXCEPTION:
- Occupancies with an existing, previously approved fire alarm system.

**4603.6.1 Group E.** A fire alarm system shall be installed in existing Group E occupancies in accordance with Section 907.2.3.

EXCEPTIONS:

1. A manual fire alarm system is not required in a building with a maximum area of 1,000 square feet (93 m<sup>2</sup>) that contains a single classroom and is located no closer than 50 feet (15,240 mm) from another building.
2. A manual fire alarm system is not required in Group E occupancies with an occupant load less than 50.

**4603.6.2 Group I-1.** An automatic fire alarm system shall be installed in existing Group I-1 residential care/assisted living facilities in accordance with Section 907.2.6.1.

EXCEPTIONS:

1. Manual fire alarm boxes in resident or patient sleeping areas shall not be required at exits if located at all nurses' control stations or other constantly attended staff locations, provided such stations are visible and continuously accessible and that travel distances required in Section 907.5.2 are not exceeded.
2. Where each sleeping room has a means of egress door opening directly to an exterior egress balcony that leads directly to the exits in accordance with WAC 51-50-1019, and the building is not more than three stories in height.

**4603.6.3 Group I-2.** An automatic fire alarm system shall be installed in existing Group I-2 occupancies in accordance with Section 907.2.6.2.

EXCEPTION:

Manual fire alarm boxes in resident or patient sleeping areas shall not be required at exits if located at all nurses' control stations or other constantly attended staff locations, provided such stations are visible and continuously accessible and that travel distances required in Section 907.5.2.1 are not exceeded.

**4603.6.4 Group I-3.** An automatic and manual fire alarm system shall be installed in existing Group I-3 occupancies in accordance with Section 907.2.6.3.

**4603.6.5 Group R-1.** A fire alarm system and smoke alarms shall be installed in existing Group R-1 occupancies in accordance with Sections 4603.6.5.1 through 4603.6.5.2.1.

**4603.6.5.1 Group R-1 hotel and motel manual fire alarm system.** A manual fire alarm system that activates the occupant notification system in accordance with Section 907.6 shall be installed in existing Group R-1 hotels and motels more than three stories or with more than 20 sleeping units.

EXCEPTIONS:

1. Buildings less than two stories in height where all sleeping units, attics and crawl spaces are separated by 1-hour fire-resistance-rated construction and each sleeping unit has direct access to a public way, exit court or yard.
2. Manual fire alarm boxes are not required throughout the building when the following conditions are met:
  - 2.1. The building is equipped throughout with an automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2;
  - 2.2. The notification appliances will activate upon sprinkler water flow; and
  - 2.3. At least one manual fire alarm box is installed at an approved location.

**4603.6.5.1.1 Group R-1 hotel and motel automatic smoke detection system.** An automatic smoke detection system that activates the occupant notification system in accordance with

Section 907.6 shall be installed in existing Group R-1 hotels and motels throughout all interior corridors serving sleeping rooms not equipped with an approved, supervised sprinkler system installed in accordance with WAC 51-50-0903.

EXCEPTION:

An automatic smoke detection system is not required in buildings that do not have interior corridors serving sleeping units and where each sleeping unit has a means of egress door opening directly to an exit or to an exterior exit access that leads directly to an exit.

**4603.6.5.2 Group R-1 boarding and rooming houses manual fire alarm system.** A manual fire alarm system that activates the occupant notification system in accordance with Section 907.6 shall be installed in existing Group R-1 boarding and rooming houses.

EXCEPTION:

Buildings less than two stories in height where all sleeping units, attics and crawl spaces are separated by 1-hour fire-resistance-rated construction and each sleeping unit has direct access to a public way, exit court or yard.

**4603.6.5.2.1 Group R-1 boarding and rooming houses automatic smoke detection system.** An automatic smoke detection system that activates the occupant notification system in accordance with Section 907.6 shall be installed in existing Group R-1 boarding and rooming houses throughout all interior corridors serving sleeping units not equipped with an approved, supervised sprinkler system installed in accordance with WAC 51-50-0903.

EXCEPTION:

Buildings equipped with single-station smoke alarms meeting or exceeding the requirements of Section 907.2.10.1 and where the fire alarm system includes at least one manual fire alarm box per floor arranged to initiate the alarm.

**4603.6.6 Group R-2.** An automatic or manual fire alarm system that activates the occupant notification system in accordance with Section 907.6 shall be installed in existing Group R-2 occupancies more than three stories in height or with more than 16 dwelling or sleeping units.

EXCEPTIONS:

1. Where each living unit is separated from other contiguous living units by fire barriers having a fire-resistance rating of not less than 0.75 hour, and where each living unit has either its own independent exit or its own independent stairway or ramp discharging at grade.
2. A separate fire alarm system is not required in buildings that are equipped throughout with an approved supervised automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2 and having a local alarm to notify all occupants.
3. A fire alarm system is not required in buildings that do not have interior corridors serving dwelling units and are protected by an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2, provided that dwelling units either have a means of egress door opening directly to an exterior exit access that leads directly to the exits or are served by open-ended corridors designed in accordance with Section 1023.6, Exception 4.

**4603.6.7 Group R-4.** This section not adopted.

EXCEPTIONS:

1. Where there are interconnected smoke alarms meeting the requirements of Section 907.2.11 and there is at least one manual fire alarm box per floor arranged to continuously sound the smoke alarms.

2. Other manually activated, continuously sounding alarms approved by the fire code official.

**4603.7 Single and multiple-station smoke alarms.** Single and multiple-station smoke alarms shall be installed in existing Group R occupancies and in dwellings not classified as Group R occupancies in accordance with Sections 4603.7.1 through 4603.7.3.

**4603.7.1 Where required.** Existing Group R occupancies and dwellings not classified as Group R occupancies not already provided with single-station smoke alarms shall be provided with single-station smoke alarms. Installation shall be in accordance with Section 907.2.10, except as provided in Sections 4603.7.2 and 4603.7.3.

**4603.7.2 Interconnection.** Where more than one smoke alarm is required to be installed within an individual dwelling or sleeping unit, the smoke alarms shall be interconnected in such a manner that the activation of one alarm will activate all of the alarms in the individual unit. The alarm shall be clearly audible in all bedrooms over background noise levels with all intervening doors closed.

EXCEPTIONS:

1. Interconnection is not required in buildings that are not undergoing alterations, repairs or construction of any kind.
2. Smoke alarms in existing areas are not required to be interconnected where alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing the structure, unless there is an attic, crawl space or basement available which could provide access for interconnection without the removal of interior finishes.

**4603.7.3 Power source.** Single-station smoke alarms shall receive their primary power from the building wiring provided that such wiring is served from a commercial source and shall be equipped with a battery backup. Smoke alarms with integral strobes that are not equipped with battery backup shall be connected to an emergency electrical system. Smoke alarms shall emit a signal when the batteries are low. Wiring shall be permanent and without a disconnecting switch other than as required for overcurrent protection.

EXCEPTIONS:

1. Smoke alarms are permitted to be solely battery operated in existing buildings where no construction is taking place.
2. Smoke alarms are permitted to be solely battery operated in buildings that are not served from a commercial power source.
3. Smoke alarms are permitted to be solely battery operated in existing areas of buildings undergoing alterations or repairs that do not result in the removal of interior walls or ceiling finishes exposing the structure, unless there is an attic, crawl space or basement available which could provide access for building wiring without the removal of interior finishes.

#### SECTION 4604 MEANS OF EGRESS FOR EXISTING BUILDINGS

**4604.1 General.** Means of egress in existing buildings shall comply with Section 1030 and 4604.2 through 4604.23.

EXCEPTION: Means of egress conforming to the requirements of the building code under which they were constructed and Section 1030 shall not be required to comply with 4604.2 through 4604.21.

**4604.1.1 Evaluation.** Existing buildings that were not required to comply with a building code at the time of con-

struction, and that constitute a distinct hazard to life as determined by the fire official, shall comply with the minimum egress requirements when specified in Table 4603.1 as further enumerated in Sections 4604.2 through 4604.23. The fire official shall notify the building owner in writing of the distinct hazard and, in addition shall have the authority to require a life safety evaluation be prepared, consistent with the requirements of Section 104.7.2. The life safety evaluation shall identify any changes to the means of egress that are necessary to provide safe egress to occupants and shall be subject to review and approval by the fire and building code officials. The building shall be modified to comply with the recommendations set forth in the approved evaluation.

**4604.2 Elevators, escalators and moving walks.** Elevators, escalators and moving walks shall not be used as a component of a required means of egress.

EXCEPTIONS:

1. Elevators used as an accessible means of egress where allowed by Section 1007.4.
2. Previously approved escalators and moving walks in existing buildings.

**4604.3 Exit sign illumination.** Exit signs shall be internally or externally illuminated. The face of an exit sign illuminated from an external source shall have an intensity of not less than 5 foot-candles (54 lux). Internally illuminated signs shall provide equivalent luminance and be listed for the purpose.

EXCEPTION: Approved self-luminous signs that provide evenly illuminated letters shall have a minimum luminance of 0.06 foot-lamberts (0.21 cd/m<sup>2</sup>).

**4604.4 Power source.** Where emergency illumination is required in Section 4604.5, exit signs shall be visible under emergency illumination conditions.

EXCEPTION: Approved signs that provide continuous illumination independent of external power sources are not required to be connected to an emergency electrical system.

**4604.5 Illumination emergency power.** The power supply for means of egress illumination shall normally be provided by the premises' electrical supply. In the event of power supply failure, illumination shall be automatically provided from an emergency system for the following occupancies where such occupancies require two or more means of egress:

1. Group A having 50 or more occupants.

EXCEPTION: Assembly occupancies used exclusively as a place of worship and having an occupant load of less than 300.

2. Group B buildings three or more stories in height, buildings with 100 or more occupants above or below a level of exit discharge serving the occupants or buildings with 1,000 or more total occupants.

3. Group E in interior stairs, corridors, windowless areas with student occupancy, shops and laboratories.

4. Group F having more than 100 occupants.

EXCEPTION: Buildings used only during daylight hours which are provided with windows for natural light in accordance with the International Building Code.

5. Group I.
6. Group M.

EXCEPTION: Buildings less than 3,000 square feet (279 m<sup>2</sup>) in gross sales area on one story only, excluding mezzanines.

7. Group R-1.

EXCEPTION: Where each sleeping unit has direct access to the outside of the building at grade.

8. Group R-2.

EXCEPTION: Where each dwelling unit or sleeping unit has direct access to the outside of the building at grade.

9. Group R-4.

EXCEPTION: Where each sleeping unit has direct access to the outside of the building at ground level.

**4604.5.1 Emergency power duration and installation.** In other than Group I-2, the emergency power system shall provide power for not less than 60 minutes and consist of storage batteries, unit equipment or an on-site generator. In Group I-2, the emergency power system shall provide power for not less than 90 minutes and consist of storage batteries, unit equipment or an on-site generator. The installation of the emergency power system shall be in accordance with Section 4604.

**4604.6 Guards.** Guards complying with this section shall be provided at the open sides of means of egress that are more than 30 inches (762 mm) above the floor or grade below.

**4604.6.1 Height of guards.** Guards shall form a protective barrier not less than 42 inches (1067 mm) high.

EXCEPTIONS: 1. Existing guards on the open side of stairs shall be not less than 30 inches (760 mm) high.

- 2. Existing guards within dwelling units shall be not less than 36 inches (910 mm) high.
- 3. Existing guards in assembly seating areas.

**4604.6.2 Opening limitations.** Open guards shall have balusters or ornamental patterns such that a 6-inch-diameter (152 mm) sphere cannot pass through any opening up to a height of 34 inches (864 mm).

- EXCEPTIONS:
- 1. At elevated walking surfaces for access to, and use of, electrical, mechanical or plumbing systems or equipment, guards shall have balusters or be of solid materials such that a sphere with a diameter of 21 inches (533 mm) cannot pass through any opening.
  - 2. In occupancies in Group I-3, F, H or S, the clear distance between intermediate rails measured at right angles to the rails shall not exceed 21 inches (533 mm).
  - 3. Approved existing open guards.

**4604.7 Minimum required egress width.** The means of egress width shall not be less than as required by the code under which constructed but not less than as required by this section. The total width of means of egress in inches (mm) shall not be less than the total occupant load served by the means of egress multiplied by the factors in Table 4604.7 and not less than specified elsewhere in this section. Multiple means of egress shall be sized such that the loss of any one means of egress shall not reduce the available capacity to less than 50 percent of the required capacity. The maximum capacity required from any story of a building shall be maintained to the termination of the means of egress.

TABLE 4604.7  
EGRESS WIDTH PER OCCUPANT SERVED

OCCUPANCY	WITHOUT SPRINKLER SYSTEM		WITH SPRINKLER SYSTEM <sup>a</sup>	
	Stairways (inches per occupant)	Other egress components (inches per occupant)	Stairways (inches per occupant)	Other egress components (inches per occupant)
Occupancies other than those listed below	0.3	0.2	0.2	0.15
Hazardous: H-1, H-2, H-3 and H-4	Not permitted	Not permitted	0.3	0.2
Institutional: I-2	Not permitted	Not permitted	0.3	0.2

For SI: 1 inch = 25.4 mm.

a. Buildings equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 or 903.3.1.2.

**4604.8 Size of doors.** The minimum width of each door opening shall be sufficient for the occupant load thereof and shall provide a clear width of not less than 28 inches (711 mm). Where this section requires a minimum clear width of 28 inches (711 mm) and a door opening includes two door leaves without a mullion, one leaf shall provide a clear opening width of 28 inches (711 mm). The maximum width of a swinging door leaf shall be 48 inches (1219 mm) nominal. Means of egress doors in an occupancy in Group I-2 used for the movement of beds shall provide a clear width not less than 41.5 inches (1054 mm). The height of doors shall not be less than 80 inches (2032 mm).

EXCEPTIONS: 1. The minimum and maximum width shall not apply to door openings that are not part of the required

- means of egress in occupancies in Groups R-2 and R-3.
- 2. Door openings to storage closets less than 10 square feet (0.93 m<sup>2</sup>) in area shall not be limited by the minimum width.
- 3. Width of door leaves in revolving doors that comply with Section 1008.1.4.1 shall not be limited.
- 4. Door openings within a dwelling unit shall not be less than 78 inches (1981 mm) in height.
- 5. Exterior door openings in dwelling units, other than the required exit door, shall not be less than 76 inches (1930 mm) in height.
- 6. Exit access doors serving a room not larger than 70 square feet (6.5 m<sup>2</sup>) shall be not less than 24 inches (610 mm) in door width.

**4604.9 Opening force for doors.** The opening force for interior side-swinging doors without closers shall not exceed a 5-

For SI: 1 inch = 25.4 mm, 1 foot = 304.8 mm.

pound (22 N) force. For other side-swinging, sliding and folding doors, the door latch shall release when subjected to a force of not more than 15 pounds (66 N). The door shall be set in motion when subjected to a force not exceeding 30 pounds (133 N). The door shall swing to a full open position when subjected to a force of not more than 50 pounds (222 N). Forces shall be applied to the latch side.

**4604.10 Revolving doors.** Revolving doors shall comply with the following:

1. A revolving door shall not be located within 10 feet (3048 mm) of the foot or top of stairs or escalators. A dispersal area shall be provided between the stairs or escalators and the revolving doors.

2. The revolutions per minute for a revolving door shall not exceed those shown in Table 4604.10.

3. Each revolving door shall have a conforming side-hinged swinging door in the same wall as the revolving door and within 10 feet (3048 mm).

- EXCEPTIONS:
- 1. A revolving door is permitted to be used without an adjacent swinging door for street-floor elevator lobbies provided a stairway, escalator or door from other parts of the building does not discharge through the lobby and the lobby does not have any occupancy or use other than as a means of travel between elevators and a street.
  - 2. Existing revolving doors where the number of revolving doors does not exceed the number of swinging doors within 20 feet (6096 mm).

**4604.10.1 Egress component.** A revolving door used as a component of a means of egress shall comply with Section 4604.10 and all of the following conditions:

1. Revolving doors shall not be given credit for more than 50 percent of the required egress capacity.

2. Each revolving door shall be credited with not more than a 50-person capacity.

3. Revolving doors shall be capable of being collapsed when a force of not more than 130 pounds (578 N) is applied within 3 inches (76 mm) of the outer edge of a wing.

**4604.11 Stair dimensions for existing stairs.** Existing stairs in buildings shall be permitted to remain if the rise does not exceed 8 1/4 inches (210 mm) and the run is not less than 9 inches (229 mm). Existing stairs can be rebuilt.

EXCEPTION: Other stairs approved by the fire code official.

**TABLE 4604.10  
REVOLVING DOOR SPEEDS**

INSIDE DIAMETER	POWER-DRIVEN-TYPE SPEED CONTROL (RPM)	MANUAL-TYPE SPEED CONTROL (RPM)
6' 6"	11	12
7' 0"	10	11
7' 6"	9	11
8' 0"	9	10
8' 6"	8	9
9' 0"	8	9
9' 6"	7	8
10' 0"	7	8

**4604.11.1 Dimensions for replacement stairs.** The replacement of an existing stairway in a structure shall not be required to comply with the new stairway requirements of WAC 51-11-1009 where the existing space and construction will not allow a reduction in pitch or slope.

**4604.12 Winders.** Existing winders shall be allowed to remain in use if they have a minimum tread depth of 6 inches (152 mm) and a minimum tread depth of 9 inches (229 mm) at a point 12 inches (305 mm) from the narrowest edge.

**4604.13 Circular stairways.** Existing circular stairs shall be allowed to continue in use provided the minimum depth of tread is 10 inches (254 mm) and the smallest radius shall not be less than twice the width of the stairway.

**4604.14 Stairway handrails.** Stairways shall have handrails on at least one side. Handrails shall be located so that all portions of the stairway width required for egress capacity are within 44 inches (1118 mm) of a handrail.

EXCEPTION: Aisle stairs provided with a center handrail are not required to have additional handrails.

**4604.14.1 Height.** Handrail height, measured above stair tread nosings, shall be uniform, not less than 30 inches (762 mm) and not more than 42 inches (1067 mm).

**4604.15 Slope of ramps.** Ramp runs utilized as part of a means of egress shall have a running slope not steeper than one unit vertical in 10 units horizontal (10 percent slope). The slope of other ramps shall not be steeper than one unit vertical in 8 units horizontal (12.5 percent slope).

**4604.16 Width of ramps.** Existing ramps are permitted to have a minimum width of 30 inches (762 mm) but not less than the width required for the number of occupants served as determined by Section 1005.1.

**4604.17 Fire escape stairs.** Fire escape stairs shall comply with Sections 4604.17.1 through 4604.17.7.

**4604.17.1 Existing means of egress.** Fire escape stairs shall be permitted in existing buildings but shall not constitute more than 50 percent of the required exit capacity.

**4604.17.2 Protection of openings.** Openings within 10 feet (3048 mm) of fire escape stairs shall be protected by fire door assemblies having a minimum 3/4-hour fire-resistance rating.

EXCEPTION: In buildings equipped throughout with an approved automatic sprinkler system, opening protection is not required.

**4604.17.3 Dimensions.** Fire escape stairs shall meet the minimum width, capacity, riser height and tread depth as specified in Section 4604.10.

**4604.17.4 Access.** Access to a fire escape from a corridor shall not be through an intervening room. Access to a fire escape stair shall be from a door or window meeting the criteria of Section 1005.1. Access to a fire escape stair shall be directly to a balcony, landing or platform. These shall be no higher than the floor or window sill level and no lower than 8 inches (203 mm) below the floor level or 18 inches (457 mm) below the window sill.

**4604.17.5 Materials and strength.** Components of fire escape stairs shall be constructed of noncombustible materials. Fire escape stairs and balconies shall support the dead load plus a live load of not less than 100 pounds per square foot (4.78 kN/m<sup>2</sup>). Fire escape stairs and balconies shall be provided with a top and intermediate handrail on each side. The fire code official is authorized to require testing or other satisfactory evidence that an existing fire escape stair meets the requirements of this section.

**4604.17.6 Termination.** The lowest balcony shall not be more than 18 feet (5486 mm) from the ground. Fire escape stairs shall extend to the ground or be provided with counter-balanced stairs reaching the ground.

EXCEPTION: For fire escape stairs serving 10 or fewer occupants, an approved fire escape ladder is allowed to serve as the termination.

**4604.17.7 Maintenance.** Fire escapes shall be kept clear and unobstructed at all times and shall be maintained in good working order.

**4604.18 Corridors.** Corridors serving an occupant load greater than 30 and the openings therein shall provide an effective barrier to resist the movement of smoke. Transoms, louvers, doors and other openings shall be kept closed or self-closing.

EXCEPTIONS:

1. Corridors in occupancies other than in Group H, which are equipped throughout with an approved automatic sprinkler system.
2. Patient room doors in corridors in occupancies in Group I-2 where smoke barriers are provided in accordance with the International Building Code.
3. Corridors in occupancies in Group E where each room utilized for instruction or assembly has at least one-half of the required means of egress doors opening directly to the exterior of the building at ground level.
4. Corridors that are in accordance with the International Building Code.

**4604.18.1 Corridor openings.** Openings in corridor walls shall comply with the requirements of the International Building Code.

EXCEPTIONS:

1. Where 20-minute fire door assemblies are required, solid wood doors at least 1.75 inches (44 mm) thick or insulated steel doors are allowed.
2. Openings protected with fixed wire glass set in steel frames.
3. Openings covered with 0.5-inch (12.7 mm) gypsum wallboard or 0.75-inch (19.1 mm) plywood on the room side.
4. Opening protection is not required when the building is equipped throughout with an approved automatic sprinkler system.

**4604.18.2 Dead ends.** Where more than one exit or exit access doorway is required, the exit access shall be arranged such that dead ends do not exceed the limits specified in Table 4604.17.2.

EXCEPTION: A dead-end passageway or corridor shall not be limited in length where the length of the dead-end passageway or corridor is less than 2.5 times the least width of the dead-end passageway or corridor.

**4604.18.3 Exit access travel distance.** Exits shall be located so that the maximum length of exit access travel, measured

from the most remote point to an approved exit along the natural and unobstructed path of egress travel, does not exceed the distances given in Table 4604.17.2.

**4604.18.4 Common path of egress travel.** The common path of egress travel shall not exceed the distances given in Table 4604.18.2.

**4604.19 Stairway discharge identification.** A stairway in an exit enclosure which continues below its level of exit discharge shall be arranged and marked to make the direction of egress to a public way readily identifiable.

EXCEPTION: Stairs that continue one-half story beyond their levels of exit discharge need not be provided with barriers where the exit discharge is obvious.

**4604.20 Exterior stairway protection.** Exterior exit stairs shall be separated from the interior of the building as required in Section 1026.6. Openings shall be limited to those necessary for egress from normally occupied spaces.

EXCEPTIONS:

1. Separation from the interior of the building is not required for buildings that are two stories or less above grade where the level of exit discharge serving such occupancies is the first story above grade.
2. Separation from the interior of the building is not required where the exterior stairway is served by an exterior balcony that connects two remote exterior stairways or other approved exits, with a perimeter that is not less than 50 percent open. To be considered open, the opening shall be a minimum of 50 percent of the height of the enclosing wall, with the top of the opening not less than 7 feet (2134 mm) above the top of the balcony.
3. Separation from the interior of the building is not required for an exterior stairway located in a building or structure that is permitted to have unenclosed interior stairways in accordance with Section 1022.
4. Separation from the interior of the building is not required for exterior stairways connected to open-ended corridors, provided that:
  - 4.1. The building, including corridors and stairs, is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 or 903.3.1.2.
  - 4.2. The open-ended corridors comply with Section 1018.
  - 4.3. The open-ended corridors are connected on each end to an exterior exit stairway complying with Section 1026.
  - 4.4. At any location in an open-ended corridor where a change of direction exceeding 45 degrees occurs, a clear opening of not less than 35 square feet (3 m<sup>2</sup>) or an exterior stairway shall be provided. Where clear openings are provided, they shall be located so as to minimize the accumulation of smoke or toxic gases.

TABLE 4604.18.2  
COMMON PATH, DEAD-END AND TRAVEL DISTANCE LIMITS (by occupancy)

OCCUPANCY	COMMON PATH LIMIT		DEAD-END LIMIT		TRAVEL DISTANCE LIMIT	
	Unsprinklered (feet)	Sprinklered (feet)	Unsprinklered (feet)	Sprinklered (feet)	Unsprinklered (feet)	Sprinklered (feet)
Group A	20/75 <sup>a</sup>	20/75 <sup>a</sup>	20 <sup>b</sup>	20 <sup>b</sup>	200	250
Group B	75	100	50	50	200	250
Group E	75	75	20	50	200	250
Group F-1, S-1 <sup>d</sup>	75	100	50	50	200	250
Group F-2, S-2 <sup>d</sup>	75	100	50	50	300	400
Group H-1	25	25	0	0	75	75
Group H-2	50	100	0	0	75	100
Group H-3	50	100	20	20	100	150
Group H-4	75	75	20	20	150	175
Group H-5	75	75	20	20	150	200
Group I-1	75	75	20	50	200	250
Group I-2 (Health Care)	NR <sup>e</sup>	NR <sup>e</sup>	NR	NR	150	200 <sup>c</sup>
Group I-3 (Detention and Correctional—Use Conditions II, III, IV, V)	100	100	NR	NR	150 <sup>c</sup>	200 <sup>c</sup>
Group I-4 (Day Care Centers)	NR	NR	20	20	200	250
Group M (Covered Mall)	75	100	50	50	200	400
Group M (Mercantile)	75	100	50	50	200	250
Group R-1 (Hotels)	75	75	50	50	200	250
Group R-2 (Apartments)	75	75	50	50	200	250
Group R-3 (One- and Two-Family)	NR	NR	NR	NR	NR	NR
Group R-4 (Residential Care/Assisted Living)	NR	NR	NR	NR	NR	NR
Group U	75	75	20	50	200	250

For SI: 1 foot = 304.8 mm.

a. 20 feet for common path serving 50 or more persons; 75 feet for common path serving less than 50 persons.

b. See Section 1028.9.5 for dead-end aisles in Group A occupancies.

c. This dimension is for the total travel distance, assuming incremental portions have fully utilized their allowable maximums. For travel distance within the room, and from the room exit access door to the exit, see the appropriate occupancy chapter.

d. See the International Building Code for special requirements on spacing of doors in aircraft hangars.

e. Any patient sleeping room, or any suite that includes patient sleeping rooms, of more than 1,000 square feet (93 m<sup>2</sup>) shall have at least two exit access doors placed a distance apart equal to not less than one-third of the length of the maximum overall diagonal dimension of the patient sleeping room or suite to be served, measured in a straight line between exit access doors.

NR = No requirements.

**4604.21 Minimum aisle width.** The minimum clear width of aisles shall be:

1. Forty-two inches (1067 mm) for aisle stairs having seating on each side.

EXCEPTION: Thirty-six inches (914 mm) where the aisle serves less than 50 seats.

2. Thirty-six inches (914 mm) for stepped aisles having seating on only one side.

EXCEPTION: Thirty inches (760 mm) for catchment areas serving not more than 60 seats.

3. Twenty inches (508 mm) between a stepped aisle handrail or guard and seating when the aisle is subdivided by the handrail.

4. Forty-two inches (1067 mm) for level or ramped aisles having seating on both sides.

EXCEPTION: Thirty-six inches (914 mm) where the aisle serves less than 50 seats.

5. Thirty-six inches (914 mm) for level or ramped aisles having seating on only one side.

EXCEPTION: Thirty inches (760 mm) for catchment areas serving not more than 60 seats.

6. Twenty-three inches (584 mm) between a stepped stair handrail and seating where an aisle does not serve more than five rows on one side.

**4604.22 Stairway floor number signs.** Existing stairs shall be marked in accordance with Section 1022.8.

**4604.23 Egress path markings.** Existing buildings of Group A, B, E, I, M and R-1 having occupied floors located more than 75 feet (22,860 mm) above the lowest level of fire department vehicle access shall be provided with luminous egress path markings in accordance with Section 1024.

EXCEPTION: Open, unenclosed stairwells in historic buildings designated as historic under a state or local historic preservation program.

**SECTION 4605 REQUIREMENTS FOR OUTDOOR OPERATIONS**

**4605.1 Tire storage yards.** Existing tire storage yards shall be provided with fire apparatus access roads in accordance with Sections 4605.1.1 and 4605.1.2.

**4605.1.1 Access to piles.** Access roadways shall be within 150 feet (45,720 mm) of any point in the storage yard where storage piles are located, at least 20 feet (6096 mm) from any storage pile.

**4605.1.2 Location within piles.** Fire apparatus access roads shall be located within all pile clearances identified in Section 2505.4 and within all fire breaks required in Section 2505.5.

AMENDATORY SECTION (Amending WSR 10-03-097, filed 1/20/10, effective 7/1/10)

**WAC 51-50-0903 Section 903—Automatic sprinkler systems.**

**903.2.1.6 Nightclub.** An automatic sprinkler system shall be provided throughout Group A-2 nightclubs as defined in this code. ~~((An existing nightclub constructed prior to July 1, 2006, shall be provided with automatic sprinklers not later than December 1, 2009.))~~

**903.2.3 Group E.** An automatic sprinkler system shall be provided for Group E Occupancies.

- EXCEPTIONS:
1. Portable school classrooms, provided aggregate area of any cluster or portion of a cluster of portable school classrooms does not exceed 5,000 square feet (1465 m<sup>2</sup>); and clusters of portable school classrooms shall be separated as required by the building code.
  2. Group E occupancies with an occupant load of 50 or less, calculated in accordance with Table 1004.1.1.

**903.2.8 Group R.** An automatic fire sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

- EXCEPTION:
- Group R-1 if all of the following conditions apply:
1. The Group R fire area is no more than 500 square feet and is used for recreational use only.
  2. The Group R fire area is only one story.
  3. The Group R fire area does not include a basement.
  4. The Group R fire area is no closer than 30 feet from another structure.
  5. Cooking is not allowed within the Group R fire area.
  6. The Group R fire area has an occupant load of no more than 8.
  7. A hand held (portable) fire extinguisher is in every Group R fire area.

**WSR 10-16-095**  
**PROPOSED RULES**  
**BUILDING CODE COUNCIL**  
 [Filed July 30, 2010, 2:43 p.m.]

Original Notice.  
 Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: Amendment of chapter 51-51 WAC, Washington State Residential Code.

Hearing Location(s): Spokane City Council Chambers, West 808 Spokane Falls Boulevard, Spokane, WA, on September 10, 2010, at 10:00 a.m.; and at Senate Hearing Room 2, Cherberg Building, Washington State Capitol Campus, Olympia, Washington, on September 24, 2010, at 10:00 a.m.

Date of Intended Adoption: October 15, 2010.

Submit Written Comments to: John Cochran, Council Chair, P.O. Box 41014, Olympia, WA 98504-1014, e-mail joanne.mccaughan@ga.wa.gov, fax (360) 586-9383, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Peggy Bryden by August 26, 2010, TTY (360) 753-7427 or (360) 725-2966.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Chapter 51-51 WAC, Washington State Residential Code.

Section 403.1: Will change table references from stories to floors.

Section R403.4: Will correct reference to figure.

Section R404.1: Will correct title of Table.

Section R404.1.2.2: Will remove lateral support requirement on bottom of foundation walls.

Section R404.4: Will allow 48" fill for retaining walls.

Reasons Supporting Proposal: Clarifies and corrects code for consistent enforcement.

Statutory Authority for Adoption: RCW 19.27.074.

Statute Being Implemented: Chapter 19.27 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: State building code council, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Joanne McCaughan, P.O. Box 41014, Olympia, WA 98504-1014, (360) 725-2970; and Enforcement: Local jurisdictions.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The changes will clarify existing rules and will have no disproportionate impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The state building code council is not listed in this section as one of the agencies required to comply with this statute.

July 26, 2010  
 John C. Cochran  
 Council Chair

AMENDATORY SECTION (Amending WSR 10-03-098, filed 1/20/10, effective 7/1/10)

**WAC 51-51-0403 Section R403—Footings.**

**R403.1 General.** All exterior walls shall be supported on continuous solid or fully grouted masonry or concrete footings, wood foundations, or other approved structural systems which shall be of sufficient design to accommodate all loads specified in Section R301 and to transmit the resulting loads to the supporting soil within the limitations determined from

the characteristics of the soil. Footings shall be supported on undisturbed natural soil or engineered fill. Foundation walls complying with Section R404 or stem walls complying with Section R403.1.3 shall be permitted to support exterior walls, exterior braced wall lines and exterior braced wall panels provided they are supported by continuous footings.

TABLE R403.1  
MINIMUM WIDTH OF CONCRETE,  
PRECAST OR MASONRY FOOTINGS  
(inches)

	LOAD-BEARING VALUE OF SOIL (psf)			
	1,500	2,000	3,000	≥4,000
<u>Conventional light-frame construction</u>				
1 floor <sup>b,c</sup>	12	12	12	12
2 floors <sup>b,c</sup>	15	12	12	12
3 floors <sup>b,c</sup>	23	17	12	12
<u>4-inch brick veneer over light frame or 8-inch hollow concrete masonry</u>				
1-story	12	12	12	12
2-story	21	16	12	12
3-story	32	24	16	12
<u>8-inch solid or fully grouted masonry</u>				
1-story	16	12	12	12
2-story	29	21	14	12
3-story	42	32	21	16

For SI: 1 inch = 25.4 mm, 1 pound per square foot = 0.0479kPa.  
a. Where minimum footing width is 12 inches, use of a single wythe of solid or fully grouted 12-inch nominal concrete masonry units is permitted.  
b. Represents the number of floors supported.  
c. Footings shall be permitted to support a roof in addition to the stipulated number of floors. Footings supporting a roof only shall be as required for supporting one floor.

**R403.1.2 Continuous Footing in Seismic Design Categories D<sub>0</sub>, D<sub>1</sub> and D<sub>2</sub>.** The braced wall panels at exterior walls of buildings located in Seismic Design Categories D<sub>0</sub>, D<sub>1</sub> and D<sub>2</sub> shall be supported by continuous footings. All required interior braced wall panels shall be supported on footings at intervals not exceeding 50 feet (15,240 mm).

Figure 403.4(1). Note corrected title and labels:  
BASEMENT OR CRAWL SPACE WITH PRECAST CONCRETE FOUNDATION WALL BEARING ON CRUSHED STONE  
PRECAST CONCRETE FOUNDATION WALL  
CRUSHED STONE FOOTING

Figure 403.4(2). Note corrected title and label:  
BASEMENT OR CRAWL SPACE WITH PRECAST CONCRETE FOUNDATION WALL ON SPREAD FOOTING  
PRECAST CONCRETE FOUNDATION WALL

AMENDATORY SECTION (Amending WSR 10-03-098, filed 1/20/10, effective 7/1/10)

**WAC 51-51-0404 ((Reserved)) Section R404—Foundation and retaining walls.**

Table R404.1.1(3). Note corrected title:  
10-INCH MASONRY FOUNDATION WALLS WITH REINFORCING WHERE d > 6.75 INCHES<sup>a,c</sup>

**R404.1.2.2 Reinforcement for foundation walls.** Concrete foundation walls shall be laterally supported at the top except where permitted in R404.1.2.2.1 and R404.1.2.2.2, and at the bottom where required elsewhere in this code. Horizontal reinforcement shall be provided in accordance with Table R404.1.2(1). Vertical reinforcement shall be provided in accordance with Table R404.1.2(2), R404.1.2(3), R404.1.2(4), R404.1.2(5), R404.1.2(6), R404.1.2(7) or R404.1.2(8). Vertical reinforcement for flat basement walls retaining 4 feet (1,219 mm) or more of unbalanced backfill is permitted to be determined in accordance with Table R404.1.2(9).

For basement walls supporting above-grade concrete walls, vertical reinforcement shall be the greater of that required by Tables R404.1.2(2) through R404.1.2(8) or by Section 611.6 for the above-grade wall. In buildings assigned to Seismic Design Category D<sub>0</sub>, D<sub>1</sub> or D<sub>2</sub>, concrete foundation walls shall also comply with Section R404.1.4.2.

**R404.4 Retaining Walls.** Retaining walls not supporting a structure that are not laterally supported at the top and that retain in excess of 24 inches (610 mm) of unbalanced fill shall be designed to ensure stability against overturning, sliding, excessive foundation pressure and water uplift. Retaining walls shall be designed for a safety factor of 1.5 against lateral sliding and overturning.

**WSR 10-16-101**  
**PROPOSED RULES**  
**DEPARTMENT OF LICENSING**  
[Filed August 2, 2010, 11:42 a.m.]

Original Notice.  
Preproposal statement of inquiry was filed as WSR 10-10-117.

Title of Rule and Other Identifying Information: Chapter 308-56A WAC, Certificates of title—Motor vehicles, etc., may include but not limited to WAC 308-56A-460 Destroyed or wrecked vehicle—Reporting—Rebuilt.

Hearing Location(s): Department of Licensing, Conference Room 303, 1125 Washington Street S.E., Olympia, WA 98507, on September 9, 2010, at 1:00 p.m. - 2:00 p.m.

Date of Intended Adoption: September 11, 2010.

Submit Written Comments to: Debra K. Then, P.O. Box 9037, Mailstop 48205, 1125 Washington Street S.E., Olympia, WA 98501-9037, e-mail dthen@dol.wa.gov, fax (360) 902-3706, by September 7, 2010.

Assistance for Persons with Disabilities: Contact Debra K. Then by September 7, 2010, TTY (360) 664-0116.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Rule making is required to modify verbiage in current rule.

Reasons Supporting Proposal: Current language did not include information regarding releasing the interest of the vehicle upon sale.

Statutory Authority for Adoption: RCW 46.01.110.

Statute Being Implemented: Not applicable, clean-up language only.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: None.

Name of Agency Personnel Responsible for Drafting: Debra K. Then, 1125 Washington Street S.E., Olympia, WA, (360) 902-4094; Implementation and Enforcement: Jeri Christy, 1125 Washington Street S.E., Olympia, WA, (360) 902-0122.

No small business economic impact statement has been prepared under chapter 19.85 RCW. A small business economic impact statement is not required pursuant to RCW 19.85.030 (1)(a). The proposed rule making does not impose more than a minor cost on businesses in the industry.

A cost-benefit analysis is not required under RCW 34.05.328. The contents of the proposed rules are explicitly and specifically dictated by statute.

August 2, 2010

Walt Fahrer

Rules Coordinator

AMENDATORY SECTION (Amending WSR 09-19-113, filed 9/22/09, effective 10/23/09)

**WAC 308-56A-460 Destroyed or wrecked vehicle—Reporting—Rebuilt.** (1) **What are total loss, destroyed, salvage, and wrecked vehicles?** For the purposes of this section:

(a) A total loss vehicle is one whose destruction has been reported to the department as described in RCW 46.12.070 by an insurer (insurance companies and self-insurers as described in RCW 46.29.630);

(b) A destroyed vehicle is one whose destruction has been reported to the department as described in RCW 46.12.070 by the vehicle's owner;

(c) A salvage vehicle as defined in RCW 46.12.005;

Note: When used in this section, the terms "destroyed" and "destroyed vehicle" include total loss, destroyed, and salvage vehicles.

(d) A wrecked vehicle as defined in RCW 46.80.010(6).

Note: A vehicle may be considered destroyed or wrecked when the evidence of ownership is a salvage certificate/title, insurance company bill of sale, or wrecker bill of sale from any jurisdiction, or when the evidence of ownership indicates the vehicle may be a destroyed vehicle not reported to the department.

**(2) How are vehicles reported to the department as total loss, destroyed, salvage, or wrecked?**

(a) Insurers may report total loss vehicles to the department:

(i) Electronically through the department's on-line reporting system. Insurers must destroy ownership documents for a vehicle reported this way; or

(ii) By submitting the certificate of ownership or affidavit in lieu of title indicating the vehicle is "DESTROYED"; or

(iii) By submitting a completed total loss claim settlement form (TD 420-074).

Note: Reports of total loss vehicles must include the insurer's name, address, and the date of loss.

(b) Registered or legal owners report a vehicle as destroyed by submitting the certificate of ownership or affidavit in lieu of title indicating the vehicle is "DESTROYED," and must include the registered owner's name, address, and date of loss.

(c) Licensed wreckers report wrecked vehicles as required in RCW 46.80.090.

(d) For vehicles six through twenty years old a statement whether or not the vehicle meets the market value threshold amount as defined in RCW 46.12.005 is also required.

**(3) What is the current market value threshold amount?** The current market value threshold amount is six thousand seven hundred ninety dollars.

**(4) How is the market value threshold amount determined?** Using the current market value threshold amount described in RCW 46.12.005 each year the department will add the increased value if the increase is equal to or greater than fifty dollars.

**(5) What if the "market value threshold amount" is not provided as required?** If the market value threshold amount is not provided when required, the department would treat the report of destruction as if the market value threshold as described in RCW 46.12.005 has been met. The certificate of ownership will be branded according to WAC 308-56A-530.

**(6) What documentation is required to obtain a certificate of ownership after a vehicle is destroyed?** After a vehicle has been reported destroyed or wrecked and is rebuilt, you must submit the following documentation to the department in order to obtain a new certificate of ownership:

(a) Application for certificate of ownership as described in RCW 46.12.030;

(b) Certificate of vehicle inspection as described in WAC 308-56A-150;

(c) Bill of sale from the insurer, owner, or wrecker who reported the vehicle's destruction to the department.

(i) Bills of sale from insurers must include a representative's signature and title of office;

(ii) Bills of sale from insurers and wreckers do not need to be notarized;

(iii) Bills of sale from owners shown on department records must be notarized or certified;

(iv) A bill of sale is not required when owners shown on department records retain a destroyed vehicle and apply for a new certificate of ownership;

(v) Releases of interest from lien holder(s) ~~((are not required since liens are presumed to have been satisfied at the time of settlement of the claim))~~ or proof of payment such as a canceled check bearing a notation that it has been paid by the bank on which it was drawn or a notarized statement on a receipt from the legal owner that the debt is satisfied are required when the vehicle is retained by the registered owner(s).

(d) Odometer disclosure statement, if applicable.

**(7) What is required of a Washington licensed vehicle dealer prior to selling a destroyed or wrecked vehicle?** Except as permitted by RCW 46.70.101 (1)(b)(viii), before a dealer may sell a destroyed or wrecked vehicle under their Washington vehicle dealer license, the dealer must:

(a) Rebuild the vehicle to standards set by the state of Washington or the federal government pertaining to the construction and safety of vehicles; and

(b) Obtain a vehicle inspection by the Washington state patrol; and

(c) Apply for and receive a certificate of ownership for the vehicle, issued in the name of the vehicle dealer.

(8) **Once a destroyed or wrecked vehicle is rebuilt, do the license plates remain with the vehicle?** Whether or not the license plates remain with the vehicle depends on the circumstance:

(a) Standard issue license plates may remain with a destroyed vehicle unless they are severely damaged or the vehicle was issued a department temporary permit described in WAC 308-56A-140;

(b) Replacement license plates are required for wrecked vehicles since Washington licensed wreckers are required by WAC 308-63-070 to remove them;

(c) Special license plates may remain with or be transferred to a destroyed or wrecked vehicle;

(d) Applicants may retain the current license plate number as provided for in RCW 46.16.233, unless the vehicle was issued a department temporary permit as described in WAC 308-56A-140.

(9) **Will the certificate of ownership or registration certificate indicate "WA REBUILT"?** Salvage or wrecked vehicles meeting the criteria described in WAC 308-56A-530 will be branded "WA REBUILT."

Assistance for Persons with Disabilities: Contact Debra K. Then by September 7, 2010, TTY (360) 664-0116.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Rule making is required to comply with SSB 6346 passed during the 2010 legislative session.

Reasons Supporting Proposal: Current language did not include the usage of medium speed and neighborhood electric vehicles.

Statutory Authority for Adoption: RCW 46.01.110.

Statute Being Implemented: RCW 46.61.725.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: None.

Name of Agency Personnel Responsible for Drafting: Debra K. Then, 1125 Washington Street S.E., Olympia, WA, (360) 902-4094; Implementation and Enforcement: Toni Wilson, 1125 Washington Street S.E., Olympia, WA, (360) 902-3811.

No small business economic impact statement has been prepared under chapter 19.85 RCW. A small business economic impact statement is not required pursuant to RCW 19.85.030 (1)(a). The proposed rule making does not impose more than a minor cost on businesses in the industry.

A cost-benefit analysis is not required under RCW 34.05.328. The contents of the proposed rules are explicitly and specifically dictated by statute.

August 2, 2010

Walt Fahrer

Rules Coordinator

**WSR 10-16-102  
PROPOSED RULES  
DEPARTMENT OF LICENSING**

[Filed August 2, 2010, 11:44 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-08-048.

Title of Rule and Other Identifying Information: WAC 308-96A-099 Use class descriptions and newly established WAC 308-96A-139 Neighborhood and medium speed electric vehicles—Requirements.

Hearing Location(s): Department of Licensing, Conference Room 303, 1125 Washington Street S.E., Olympia, WA 98507, on September 9, 2010, at 2:00 p.m.

Date of Intended Adoption: September 11, 2010.

Submit Written Comments to: Debra K. Then, P.O. Box 9037, Mailstop 48205, 1125 Washington Street S.E., Olympia, WA 98501-9037, e-mail [dthen@dol.wa.gov](mailto:dthen@dol.wa.gov), fax (360) 902-3706, by September 7, 2010.

AMENDATORY SECTION (Amending WSR 07-22-091, filed 11/6/07, effective 12/7/07)

**WAC 308-96A-099 Use class descriptions. (1) Why does the department assign use classes to vehicles?**

The department assigns use classes to:

(a) Charge the proper license fees and taxes for vehicles;

(b) Assign special brands on subsequent owner's certificate of ownership;

(c) Apply certain restrictions on the use of the vehicles, which prints on the vehicle registrations;

(d) Assign the proper license plates, tabs or decals.

**(2) Under what authority does the department assign use classes to vehicles?**

The department assigns use classes under the authority of RCW 46.16.040.

**(3) What use classes does the department assign and when do they apply?**

The use classes the department assigns are described below:

ABBREVIATION	TRANSLATION	DESCRIPTION
CAB	TAXI CAB	Motor vehicle used for carrying passengers between two points for compensation for an on-demand trip rather than a scheduled route. A vehicle with this use class may not carry any luggage or commodities that do not belong to a passenger being carried at the same time. In other words, the vehicle cannot just carry cargo between two points.

ABBREVIATION	TRANSLATION	DESCRIPTION
C/G	CONVERTER GEAR	Vehicle is an axle that is used to convert a semi-trailer to a full trailer. Converter gear is titled but not licensed.
CMB	COMBINATION	Vehicle is either (1) a power unit with a declared gross weight of 42,000 pounds or more and tows a trailer; or (2) a trailing unit with permanent plates. The trailer may be towed only by a power unit with a CMB, or FCB use class.
CMP	CAMPER	Is a slide-in pickup camper (not a canopy) as defined in RCW 46.04.085. Even if the owner has chosen to permanently attach the camper to the pickup, the units need to be titled and licensed separately.
COM	COMMERCIAL	Motor vehicle either (1) a power unit that does <b>not</b> pull a trailer or that pulls a trailer but the declared gross weight for the truck and trailer does not exceed 40,000 pounds; or (2) a trailing unit that is titled in a business name (including the name of a farm). A commercial trailer may be towed by a vehicle with PAS, TRK, COM, CMB, FAR or FCB use classes. If the trailer is being towed by a vehicle with FAR or FCB use class, the use of the trailer (items carried, etc.,) must meet the farm use class requirements.
CYC	MOTORCYCLE	Is a motorcycle, motor driven cycle or scooter. A moped does not qualify to be licensed as a motorcycle as defined in RCW 46.04.330 and 46.04.332.
EX	EXEMPT	Can be any type of vehicle, which is owned by a city, county or state government agency or federally recognized Indian tribe located in the state of Washington. This includes school buses, which are owned or leased by school districts. If the school district contracts a company to provide total bus service, such as the bus, the driver and the maintenance, and the vehicle is registered in the name of the school district as registered owner, the vehicle qualifies for exempt license plates.
FAR	FARM	Motor vehicle is a truck (or tractor) used to transport the farmer's own farm, orchard or dairy products as defined in RCW 46.16.090, or aquatic products as defined in RCW 15.85.020, from point of production to market or warehouse. The vehicle may also be used to transport the farmer's own farm supplies.
FCB	FARM COMBINATION	Motor vehicle is (1) a power unit (not a trailer) with a declared gross weight of 42,000 pounds or more and towing a trailer; and (2) meets the criteria of FAR use class above.
FED	FEDERAL	Vehicle is owned by the federal government of the United States. Like exempt vehicles, this could be any type of vehicle. This does not include vehicles displaying license plates issued by the federal government.
FEX	FARM EXEMPT	Any motor vehicle used exclusively in agricultural pursuits on farms as defined in RCW 46.16.010(3) and 46.04.181.
FIX	FIXED LOAD	Motor vehicle as defined in RCW 46.16.070(1). These vehicles have a unique use class because they are exempt from the law requiring vehicles with a scale weight of more than six thousand pounds to have a declared gross weight of at least 150 percent of the scale weight. The basic license fee is based on the declared gross weight for these vehicles and should be equal to the scale weight, or the next higher gross weight increment. If the scale weight exceeds the maximum legal limit for that vehicle, the declared gross weight needs to be equal to or just lower than the legal limit. Fixed load vehicles' maximum legal limit may actually be less than their scale weight. An oversize permit is required in addition to the registration in these cases.

ABBREVIATION	TRANSLATION	DESCRIPTION
F/H	FOR HIRE	Motor vehicle is used to transport people and/or commodities for compensation as defined in RCW 46.72.010. A for hire permit from business and professions division (BPD) is required.
H/C	HORSELESS CARRIAGE	Motor vehicle 40 years old or older <u>licensed</u> with <del>((limited used))</del> <u>restricted use</u> as defined in RCW 46.16.307.
H/D	HOUSE DOLLY	Vehicle constructed and used exclusively to move buildings or homes.
LOG	LOGGING	Vehicle is a truck or trailer used exclusively for hauling logs.
MEP	<u>MEDIUM SPEED ELECTRIC PASSENGER VEHICLE</u>	<u>Medium speed electric vehicle as defined in RCW 46.04.295.</u>
MET	<u>MEDIUM SPEED ELECTRIC TRUCK-TYPE VEHICLE</u>	<u>Medium speed electric vehicle as defined in RCW 46.04.295 and 46.04.653. These vehicles are equipped with a truck-type bed.</u>
MH	MOTOR HOME	Motorized vehicle designed for human habitation and defined in RCW 46.04.305
MOB	MOBILE HOME	<del>((Vehicle is))</del> <u>A mobile or manufactured home as defined in RCW 46.04.302</u> <del>((Mobile homes are))</del> <u>is titled but generally not registered</u> <del>((because of their size. Manufactured homes are taxed by the county, either as personal property or real property. Mobile home)).</del> <u>This use class does not include park model trailers.</u>
NEP	<u>NEIGHBORHOOD ELECTRIC PASSENGER VEHICLE</u>	<u>Neighborhood electric vehicle as defined in RCW 46.04.357.</u>
NET	<u>NEIGHBORHOOD ELECTRIC TRUCK-TYPE VEHICLE</u>	<u>Neighborhood electric vehicle as defined in RCW 46.04.357 and 46.04.653. These vehicles are equipped with a truck-type bed.</u>
ORV	OFF-ROAD VEHICLE	Vehicle is used off-road as defined in RCW 46.09.020. A vehicle licensed only as an ORV may not be operated on public roadways, including ocean beaches, <u>unless authorized under RCW 46.09.180.</u>
PAS	PASSENGER	Motor vehicle used to transport passengers as defined in RCW 46.04.382. Typically passenger cars, utility or multipurpose vehicles, passenger vans, and private buses are licensed as passenger vehicles.
PED	MOPED	Motor vehicle as defined in RCW 46.04.304 and subject to the restrictions in RCW 46.61.710.
RES	RESTORED	Motor vehicles over 30 years old <u>licensed</u> with <del>((limited))</del> <u>restricted use</u> as defined in RCW 46.16.307. Vehicles with this use class may display license plates described in WAC 308-96A-074.
SCH	SCHOOL	Motor vehicle owned and operated by a private school meeting the accreditation requirements of RCW 28A.195.010. The vehicle is used to transport children to and from school or in connection with school activities.
SNO	SNOWMOBILE	Vehicle is a snowmobile as defined in RCW <del>((46.10.020))</del> <u>46.10.010(2).</u>
SNX	EXEMPT SNOWMOBILE	Vehicle is a snowmobile as defined in RCW 46.10.010(2) and owned by a city, county or state agency.
STA	STAGE	Motor vehicle used as an auto stage as defined in RCW 46.04.050.
TLR	TRAILER	Vehicle is a personal use trailer as defined in RCW 46.04.620. Trailers used by businesses or others for commercial purposes do not qualify for this use class.
TOW	TOW	Motor vehicle as defined in RCW 46.16.079 and 46.55.010(8). If the vehicle carries other vehicles, it does not qualify for the TOW use class and must be licensed as COM.
TRK	TRUCK	Motor vehicle is a personal use truck, with a declared gross weight of twelve thousand pounds or less. Trucks used for business or commercial purposes do not qualify for the TRK use class.

ABBREVIATION	TRANSLATION	DESCRIPTION
TVL	TRAVEL TRAILER	Vehicle is a travel trailer as defined in RCW 46.04.623, which includes park models and camp/tent trailers.

**(4) Do all powered three-wheeled vehicles need to be licensed as motorcycles?**

No. If the vehicle qualifies as a motorcycle as defined in RCW 46.04.330 or 46.04.332, it will be licensed as a motorcycle for street use. However, if the vehicle has a bench seat and a steering wheel as defined in RCW 46.04.330 or 46.04.332, it will be licensed as a passenger vehicle or truck.

**(5) What license plates and use class will be assigned to my for hire vehicle?**

The license plates and use class assigned to your for hire vehicle depends upon how you use your vehicle. All for hire vehicles transport passengers and commodities for compensation. For hire vehicles include cabulances, limousines, taxi cabs, and buses hauling passengers for compensation in addition to transporting school children. There are two use classes and license plate combinations assigned to for hire vehicles:

(a) CAB use class vehicles are assigned passenger license plates. These vehicles are used exclusively for transporting passengers and their possessions; and

(b) F/H use class vehicles are assigned truck license plates. These vehicles not only transport passengers for compensation, but also transport commodities, without passengers, for compensation.

**(6) When may truck license plates be assigned to my passenger vehicle?**

Truck license plates may be assigned to your passenger vehicle whenever the vehicle is used to transport commodities, produce, freight or animals for commercial purposes. The use class would be COM instead of PAS. This would require a title application, a scale weight slip and a certified/notarized statement of use describing how the vehicle will be used commercially.

**(7) What use classes and license plates will be assigned to school buses?**

(a) EX use class and county exempt license plates will be assigned to a school bus owned or leased by an exempt agency (school district);

(b) SCH use class and passenger license plates will be assigned to a school bus owned or leased by an accredited private school;

(c) F/H use class and truck license plates will be assigned to school buses used for transporting passengers for compensation and not used exclusively for transporting school children to and from school or school related activities;

(d) (PAS) passenger; or

(e) (COM) commercial.

**(8) May I license my motorcycle or any other motor vehicle for both road and off road use?**

Yes, you may license your motorcycle or any other motor vehicle for both uses as long as the vehicle qualifies for road use. You will receive two registration certificates showing the vehicle is licensed for both uses. However, the certificate of ownership will show the use class associated with the road use.

**(9) May I license my truck, truck tractor or tractor as a motor home?**

Yes, you may license your truck, truck tractor or tractor as a motor home if:

(a) The vehicle has been permanently altered to meet((s)) the definition of a motor home in RCW 46.04.305; and

(b) You certify the vehicle qualifies as M/H and will be used exclusively as a motor home for personal use and not for commercial use.

**(10) Is my truck, truck tractor or tractor which I use exclusively for towing my travel trailer licensed differently than any other like truck?**

No. Your truck, truck tractor or tractor used exclusively for towing your travel trailer must be licensed in accordance with RCW 46.16.070. Depending on scale weight the use class will be TRK or COM.

NEW SECTION

**WAC 308-96A-139 Neighborhood and medium speed electric vehicles—Requirements. (1) Do I have to license my neighborhood or medium speed electric vehicle to drive on the road?**

Yes, you must license your vehicle to obtain a registration certificate. The registration certificate will indicate that your vehicle is a neighborhood or medium speed electric vehicle.

**(2) What fees will I pay to license my neighborhood or medium speed electric vehicle?**

You are required to pay all licensing fees for a passenger motor vehicle or truck (if equipped with a bed).

**(3) Do I have to complete a form to license my motor vehicle?**

Yes, in addition to all other forms required by law or rule, you must complete the Neighborhood/Medium Speed Electric Vehicle Certification form.

**(4) If I use my vehicle for commercial purposes, is it licensed differently?**

No. Your license will appear the same; however, if you wish to park in loading zones, you must license your motor vehicle with truck plates.

**(5) Are there restrictions on where a neighborhood or medium speed electric vehicle can be driven?**

Yes. The restrictions can be found in RCW 46.61.723 and 46.61.725.

**(6) How do I prove that my motor vehicle qualifies as a neighborhood or medium speed electric vehicle?**

New vehicles must have a statement on the manufacturer's statement of origin that indicates the motor vehicle conforms to federal regulations under Title 49 C.F.R. Part 571.500. If it is a used vehicle and the ownership document does not indicate it, the owner can complete the Neighborhood/Medium Speed Electric Vehicle Certification form as proof.

**WSR 10-16-107**  
**PROPOSED RULES**  
**DEPARTMENT OF HEALTH**

[Filed August 2, 2010, 3:34 p.m.]

Original Notice.

Exempt from preproposal statement of inquiry under RCW 34.05.310(4).

Title of Rule and Other Identifying Information: WAC 246-220-010 Definitions, Radiation protection—General provisions, 246-249-010 Definitions, Radioactive waste—Use of the commercial disposal site, 246-249-090 Transfer for disposal and manifests, radioactive waste—Use of the commercial disposal site, and 246-250-010 Definitions, Radioactive waste—Licensing land disposal.

Hearing Location(s): Department of Health, Town Center 1, Room 133, 101 Israel Road S.E., Tumwater, WA 98501, on September 28, 2010, at 10:00 a.m.

Date of Intended Adoption: September 28, 2010.

Submit Written Comments to: Traci Black, P.O. Box 47827, Olympia, WA 98504-7827, traci.black@doh.wa.gov, web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-2255, by September 28, 2010.

Assistance for Persons with Disabilities: Contact Kristin Felix by September 21, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Under the formal agreement between the governor of the state of Washington and the chairman of the Atomic Energy Commission (now the United States Nuclear Regulatory Commission (NRC)), the Washington state radiation control program is required to remain compatible with NRC regulations. This is done primarily through rule revision to make state rules consistent with federal rules.

These proposed rules will make Washington state rules compatible with federal rules as amended by the Energy Policy Act of 2005 regarding by-product material. The changes include revising the definitions of by-product material, low-level radioactive waste, and waste; adding a requirement to document transfer information on the NRC's, uniform low-level radioactive waste manifest; and correcting typographical errors.

Reasons Supporting Proposal: Rules that are consistent with national standards promote uniformity, understanding, and better adherence to basic safety requirements, especially for companies and individuals operating in interstate commerce.

Statutory Authority for Adoption: RCW 70.98.050 and 70.98.080.

Statute Being Implemented: RCW 70.98.050 and 70.98.080.

Rule is necessary because of federal law, 72 F.R. 55864.

Name of Proponent: Department of health, governmental.

Name of Agency Personnel Responsible for Drafting: Traci Black, 111 Israel Road S.E., Tumwater, WA 98501, (360) 236-3259; Implementation and Enforcement: Mike Elsen, 111 Israel Road S.E., Tumwater, WA 98501, (360) 236-3241.

No small business economic impact statement has been prepared under chapter 19.85 RCW. Under RCW 19.85.025

and 34.05.310 (4)(c), a small business economic impact statement is not required for proposed rules that adopt or incorporate by reference - without material change - federal statutes or regulations, the rules of other Washington state agencies, or national consensus codes that generally establish industry standards.

A cost-benefit analysis is not required under RCW 34.05.328. The agency did not complete a cost-benefit analysis under RCW 34.05.328. RCW 34.05.328 (5)(b)(iii) exempts rules that adopt or incorporate by reference without material change federal statutes or regulations, the rules of other Washington state agencies, or national consensus codes that generally establish industry standards.

August 2, 2010

Mary C. Selecky

Secretary

AMENDATORY SECTION (Amending WSR 09-06-003, filed 2/18/09, effective 3/21/09)

**WAC 246-220-010 Definitions.** As used in chapters 246-220 through 246-254 WAC, these terms have the definitions set forth below. Additional definitions used only in a certain chapter will be found in that chapter.

**"Absorbed dose"** means the energy imparted by ionizing radiation per unit mass of irradiated material. The units of absorbed dose are the gray (Gy) and the rad.

**"Accelerator produced material"** means any material made radioactive by exposing it in a particle accelerator.

**"Act"** means Nuclear energy and radiation, chapter 70.98 RCW.

**"Activity"** means the rate of disintegration or transformation or decay of radioactive material. The units of activity are the becquerel (Bq) and the curie (Ci).

**"Adult"** means an individual eighteen or more years of age.

**"Agreement state"** means any state with which the United States Nuclear Regulatory Commission has entered into an effective agreement under section 274 b. of the Atomic Energy Act of 1954, as amended (73 Stat. 689).

**"Airborne radioactive material"** means any radioactive material dispersed in the air in the form of particulates, dusts, fumes, mists, vapors, or gases.

**"Airborne radioactivity area"** means a room, enclosure, or operating area in which airborne radioactive material exists in concentrations (a) in excess of the derived air concentration (DAC) specified in WAC 246-221-290, Appendix A, or (b) to the degree that an individual present in the area without respiratory protective equipment could exceed, during the hours an individual is present in a week, an intake of 0.6 percent of the annual limit on intake (ALI) or twelve DAC-hours.

**"Air purifying respirator"** means a respirator with an air-purifying filter, cartridge, or canister that removes specific air contaminants by passing ambient air through the air-purifying element.

**"Alert"** means events may occur, are in progress, or have occurred that could lead to a release of radioactive material but that the release is not expected to require a response by offsite response organizations to protect persons offsite.

**"Annual limit on intake"** (ALI) means the derived limit for the amount of radioactive material taken into the body of an adult worker by inhalation or ingestion in a year. ALI is the smaller value of intake of a given radionuclide in a year by the reference man that would result in a committed effective dose equivalent of 0.05 Sv (5 rem) or a committed dose equivalent of 0.5 Sv (50 rem) to any individual organ or tissue. ALI values for intake by ingestion and by inhalation of selected radionuclides are given in WAC 246-221-290.

**"Assigned protection factor"** (APF) means the expected workplace level of respiratory protection that would be provided by a properly functioning respirator or a class of respirators to properly fitted and trained users. Operationally, the inhaled concentration can be estimated by dividing the ambient airborne concentration by the APF.

**"Atmosphere-supplying respirator"** means a respirator that supplies the respirator user with breathing air from a source independent of the ambient atmosphere, and includes supplied-air respirators (SARs) and self-contained breathing apparatus (SCBA) units.

**"Background radiation"** means radiation from cosmic sources; naturally occurring radioactive materials, including radon, except as a decay product of source or special nuclear material, and including global fallout as it exists in the environment from the testing of nuclear explosive devices or from past nuclear accidents such as Chernobyl that contribute to background radiation and are not under the control of the licensee. "Background radiation" does not include sources of radiation from radioactive materials regulated by the department.

**"Becquerel"** (Bq) means the SI unit of activity. One becquerel is equal to 1 disintegration or transformation per second ( $s^{-1}$ ).

**"Bioassay"** means the determination of kinds, quantities or concentrations, and, in some cases, the locations of radioactive material in the human body, whether by direct measurement, in vivo counting, or by analysis and evaluation of materials excreted or removed from the human body. For purposes of these regulations, "radiobioassay" is an equivalent term.

**"Byproduct material"** means:

(a) Any radioactive material (except special nuclear material) yielded in, or made radioactive by, exposure to the radiation incident to the process of producing or ~~((utilizing))~~ using special nuclear material;

(b) The tailings or wastes produced by the extraction or concentration of uranium or thorium from ~~((any))~~ ore processed primarily for its source material content, including discrete surface wastes resulting from uranium ~~((or thorium))~~ solution extraction processes. Underground ore bodies depleted by these solution extraction operations do not constitute "byproduct material" within this definition;

~~(c) ((any material that has been made radioactive by use of a particle accelerator; (d)))~~ (i) Any discrete source of radium 226 that is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research ~~((use; and (e)))~~ activity; or

(ii) Any material that:

(A) Has been made radioactive by use of a particular accelerator; and

(B) Is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research activity; and

~~(d) Any discrete source of naturally occurring radioactive material((s which)), other than source material, that:~~

(i) The commission, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of Homeland Security, and the head of any other appropriate federal agency determines would pose a threat similar to the threat posed by a discrete source of radium 226 to the public health and safety or the common defense and security ~~((that is produced, extracted)); and~~

(ii) Before, on, or after August 8, 2005, is extracted or converted after extraction for use for in a commercial, medical, or research ~~((activities))~~ activity.

**"Calendar quarter"** means at least twelve but no more than fourteen consecutive weeks. The first calendar quarter of each year begins in January and subsequent calendar quarters shall be arranged so that no day is included in more than one calendar quarter and no day in any one year is omitted from inclusion within a calendar quarter. A licensee or registrant may not change the method of determining calendar quarters for purposes of these regulations.

**"Calibration"** means the determination of (a) the response or reading of an instrument relative to a series of known radiation values over the range of the instrument, or (b) the strength of a source of radiation relative to a standard.

**"CFR"** means Code of Federal Regulations.

**"Class"** means a classification scheme for inhaled material according to its rate of clearance from the pulmonary region of the lung. Materials are classified as D, W, or Y, which applies to a range of clearance half-times: For Class D, Days, of less than ten days, for Class W, Weeks, from ten to one hundred days, and for Class Y, Years, of greater than one hundred days. For purposes of these regulations, "lung class" and "inhalation class" are equivalent terms. For "class of waste" see WAC 246-249-040.

**"Collective dose"** means the sum of the individual doses received in a given period of time by a specified population from exposure to a specified source of radiation.

**"Committed dose equivalent"** ( $H_{T,50}$ ) means the dose equivalent to organs or tissues of reference (T) that will be received from an intake of radioactive material by an individual during the fifty-year period following the intake.

**"Committed effective dose equivalent"** ( $H_{E,50}$ ) is the sum of the products of the weighting factors applicable to each of the body organs or tissues that are irradiated and the committed dose equivalent to each of these organs or tissues ( $H_{E,50} = \sum w_T H_{T,50}$ ).

**"Consortium"** means an association of medical use licensees and a PET radionuclide production facility in the same geographical area that jointly own or share in the operation and maintenance cost of the PET radionuclide production facility that produces PET radionuclides for use in producing radioactive drugs within the consortium for noncommercial distributions among its associated members for medical use. The PET radionuclide production facility within the consortium must be located at an educational institution or a federal facility or a medical facility.

**"Constraint"** or dose constraint means a value above which specified licensee actions are required.

**"Controlled area."** See "Restricted area."

**"Curie"** means a unit of quantity of radioactivity. One curie (Ci) is that quantity of radioactive material which decays at the rate of  $3.7 \times 10^{10}$  transformations per second (tps).

**"Declared pregnant woman"** means a woman who has voluntarily informed the licensee or registrant, in writing, of her pregnancy, and the estimated date of conception. The declaration remains in effect until the declared pregnant woman withdraws the declaration in writing or is no longer pregnant.

**"Deep dose equivalent"** ( $H_d$ ), which applies to external whole body exposure, means the dose equivalent at a tissue depth of 1 centimeter ( $1000 \text{ mg/cm}^2$ ).

**"Demand respirator"** means an atmosphere-supplying respirator that admits breathing air to the facepiece only when a negative pressure is created inside the facepiece by inhalation.

**"Department"** means the Washington state department of health, which has been designated as the state radiation control agency under chapter 70.98 RCW.

**"Depleted uranium"** means the source material uranium in which the isotope Uranium-235 is less than 0.711 percent by weight of the total uranium present. Depleted uranium does not include special nuclear material.

**"Derived air concentration"** (DAC) means the concentration of a given radionuclide in air which, if breathed by the reference man for a working year of two thousand hours under conditions of light work, results in an intake of one ALI. For purposes of these regulations, the condition of light work is an inhalation rate of 1.2 cubic meters of air per hour for two thousand hours in a year. DAC values are given in WAC 246-221-290.

**"Derived air concentration-hour"** (DAC-hour) means the product of the concentration of radioactive material in air, expressed as a fraction or multiple of the derived air concentration for each radionuclide, and the time of exposure to that radionuclide, in hours. A licensee or registrant may take two thousand DAC-hours to represent one ALI, equivalent to a committed effective dose equivalent of 0.05 Sv (5 rem).

**"Discrete source"** means a radionuclide that has been processed so that its concentration within a material has been purposely increased for use for commercial, medical or research activities.

**"Disposable respirator"** means a respirator for which maintenance is not intended and that is designed to be discarded after excessive breathing resistance, sorbent exhaustion, physical damage, or end-of-service-life renders it unsuitable for use. Examples of this type of respirator are a disposable half-mask respirator or a disposable escape-only self-contained breathing apparatus (SCBA).

**"Dose"** is a generic term that means absorbed dose, dose equivalent, effective dose equivalent, committed dose equivalent, committed effective dose equivalent, total organ dose equivalent, or total effective dose equivalent. For purposes of these rules, "radiation dose" is an equivalent term.

**"Dose commitment"** means the total radiation dose to a part of the body that will result from retention in the body of

radioactive material. For purposes of estimating the dose commitment, it is assumed that from the time of intake the period of exposure to retained material will not exceed fifty years.

**"Dose equivalent"** ( $H_T$ ) means the product of the absorbed dose in tissue, quality factor, and all other necessary modifying factors at the location of interest. The units of dose equivalent are the sievert (Sv) and rem.

**"Dose limits"** means the permissible upper bounds of radiation doses established in accordance with these regulations. For purposes of these regulations, "limits" is an equivalent term.

**"Dosimetry processor"** means a person that processes and evaluates individual monitoring devices in order to determine the radiation dose delivered to the monitoring devices.

**"dpm"** means disintegrations per minute. See also "curie."

**"Effective dose equivalent"** ( $H_E$ ) means the sum of the products of the dose equivalent to each organ or tissue ( $H_T$ ) and the weighting factor ( $w_T$ ) applicable to each of the body organs or tissues that are irradiated ( $H_E = \sum w_T H_T$ ).

**"Embryo/fetus"** means the developing human organism from conception until the time of birth.

**"Entrance or access point"** means any opening through which an individual or extremity of an individual could gain access to radiation areas or to licensed radioactive materials. This includes entry or exit portals of sufficient size to permit human entry, without respect to their intended use.

**"Exposure"** means (a) being exposed to ionizing radiation or to radioactive material, or (b) the quotient of  $\Delta Q$  by  $\Delta m$  where " $\Delta Q$ " is the absolute value of the total charge of the ions of one sign produced in air when all the electrons (negatrons and positrons) liberated by photons in a volume element of air having mass " $\Delta m$ " are completely stopped in air. The special unit of exposure is the roentgen (R) and the SI equivalent is the coulomb per kilogram. One roentgen is equal to  $2.58 \times 10^{-4}$  coulomb per kilogram of air.

**"Exposure rate"** means the exposure per unit of time, such as roentgen per minute and milliroentgen per hour.

**"External dose"** means that portion of the dose equivalent received from any source of radiation outside the body.

**"Extremity"** means hand, elbow, arm below the elbow, foot, knee, and leg below the knee.

**"Filtering facepiece"** (dust mask) means a negative pressure particulate respirator with a filter as an integral part of the facepiece or with the entire facepiece composed of the filtering medium, not equipped with elastomeric sealing surfaces and adjustable straps.

**"Fit factor"** means a quantitative estimate of the fit of a particular respirator to a specific individual, and typically estimates the ratio of the concentration of a substance in ambient air to its concentration inside the respirator when worn.

**"Fit test"** means the use of a protocol to qualitatively or quantitatively evaluate the fit of a respirator on an individual.

**"Former United States Atomic Energy Commission (AEC) or United States Nuclear Regulatory Commission (NRC) licensed facilities"** means nuclear reactors, nuclear fuel reprocessing plants, uranium enrichment plants, or criti-

cal mass experimental facilities where AEC or NRC licenses have been terminated.

**"Generally applicable environmental radiation standards"** means standards issued by the United States Environmental Protection Agency (EPA) under the authority of the Atomic Energy Act of 1954, as amended, that impose limits on radiation exposures or levels, or concentrations or quantities of radioactive material, in the general environment outside the boundaries of locations under the control of persons possessing or using radioactive material.

**"Gray"** (Gy) means the SI unit of absorbed dose. One gray is equal to an absorbed dose of 1 joule/kilogram (100 rad).

**"Healing arts"** means the disciplines of medicine, dentistry, osteopathy, chiropractic, podiatry, and veterinary medicine.

**"Helmet"** means a rigid respiratory inlet covering that also provides head protection against impact and penetration.

**"High radiation area"** means any area, accessible to individuals, in which radiation levels from radiation sources external to the body could result in an individual receiving a dose equivalent in excess of 1 mSv (0.1 rem) in one hour at 30 centimeters from any source of radiation or 30 centimeters from any surface that the radiation penetrates. For purposes of these regulations, rooms or areas in which diagnostic X-ray systems are used for healing arts purposes are not considered high radiation areas.

**"Hood"** means a respiratory inlet covering that completely covers the head and neck and may also cover portions of the shoulders and torso.

**"Human use"** means the intentional internal or external administration of radiation or radioactive material to human beings.

**"Immediate"** or **"immediately"** means as soon as possible but no later than four hours after the initiating condition.

**"IND"** means investigatory new drug for which an exemption has been claimed under the United States Food, Drug and Cosmetic Act (Title 21 CFR).

**"Individual"** means any human being.

**"Individual monitoring"** means the assessment of:

(a) Dose equivalent (i) by the use of individual monitoring devices or (ii) by the use of survey data; or

(b) Committed effective dose equivalent (i) by bioassay or (ii) by determination of the time-weighted air concentrations to which an individual has been exposed, that is, DAC-hours.

**"Individual monitoring devices"** (individual monitoring equipment) means devices designed to be worn by a single individual for the assessment of dose equivalent e.g., as film badges, thermoluminescent dosimeters (TLDs), pocket ionization chambers, and personal ("lapel") air sampling devices.

**"Inspection"** means an official examination or observation by the department including but not limited to, tests, surveys, and monitoring to determine compliance with rules, orders, requirements and conditions of the department.

**"Interlock"** means a device arranged or connected so that the occurrence of an event or condition is required before a second event or condition can occur or continue to occur.

**"Internal dose"** means that portion of the dose equivalent received from radioactive material taken into the body.

**"Irretrievable source"** means any sealed source containing licensed material which is pulled off or not connected to the wireline downhole and for which all reasonable effort at recovery, as determined by the department, has been expended.

**"Lens dose equivalent"** (LDE) applies to the external exposure of the lens of the eye and is taken as the dose equivalent at a tissue depth of 0.3 centimeters (300 mg/cm<sup>2</sup>).

**"License"** means a license issued by the department.

**"Licensed material"** means radioactive material received, possessed, used, transferred, or disposed under a general or specific license issued by the department.

**"Licensee"** means any person who is licensed by the department under these rules and the act.

**"Licensing state"** means any state with regulations equivalent to the suggested state regulations for control of radiation relating to, and an effective program for, the regulatory control of NARM and which has been granted final designation by the Conference of Radiation Control Program Directors, Inc.

**"Loose-fitting facepiece"** means a respiratory inlet covering that is designed to form a partial seal with the face.

**"Lost or missing licensed material"** means licensed material whose location is unknown. This definition includes licensed material that has been shipped but has not reached its planned destination and whose location cannot be readily traced in the transportation system.

**"Member of the public"** means an individual except when the individual is receiving an occupational dose.

**"Minor"** means an individual less than eighteen years of age.

**"Monitoring"** means the measurement of radiation, radioactive material concentrations, surface area activities or quantities of radioactive material and the use of the results of these measurements to evaluate potential exposures and doses. For purposes of these regulations, radiation monitoring and radiation protection monitoring are equivalent terms.

**"NARM"** means any naturally occurring or accelerator-produced radioactive material. It does not include by-product, source, or special nuclear material. For the purpose of meeting the definition of a licensing state by the Conference of Radiation Control Program Directors, Inc. (CRCPD), NARM refers only to discrete sources of NARM. Diffuse sources of NARM are excluded from consideration by the CRCPD for Licensing State designation purposes.

**"Nationally tracked source"** means a sealed source containing a quantity equal to or greater than Category 1 or Category 2 levels of any radioactive material listed in WAC 246-221-236. In this context a sealed source is defined as radioactive material that is sealed in a capsule or closely bonded, in a solid form and which is not exempt from regulatory control. It does not mean material encapsulated solely for disposal, or nuclear material contained in any fuel assembly, subassembly, fuel rod, or fuel pellet. Category 1 nationally tracked sources are those containing radioactive material at a quantity equal to or greater than the Category 1 threshold. Category 2 nationally tracked sources are those containing

radioactive material at a quantity equal to or greater than the Category 2 threshold but less than the Category 1 threshold.

**"Natural radioactivity"** means radioactivity of naturally occurring nuclides.

**"NDA"** means a new drug application which has been submitted to the United States Food and Drug Administration.

**"Negative pressure respirator"** (tight-fitting) means a respirator in which the air pressure inside the facepiece is negative during inhalation with respect to the ambient air pressure outside the respirator.

**"Nonstochastic effect"** means a health effect, the severity of which varies with the dose and for which a threshold is believed to exist. Radiation-induced cataract formation is an example of a nonstochastic effect. For purposes of these rules, a "deterministic effect" is an equivalent term.

**"Nuclear Regulatory Commission"** (NRC) means the United States Nuclear Regulatory Commission or its duly authorized representatives.

**"Occupational dose"** means the dose received by an individual in the course of employment in which the individual's assigned duties involve exposure to radiation or to radioactive material from licensed and unlicensed sources of radiation, whether in the possession of the licensee, registrant, or other person. Occupational dose does not include dose received: From background radiation, from any medical administration the individual has received, from exposure to individuals administered radioactive material and released under chapter 246-240 WAC, from voluntary participation in medical research programs, or as a member of the public.

**"Ore refineries"** means all processors of a radioactive material ore.

**"Particle accelerator"** means any machine capable of accelerating electrons, protons, deuterons, or other charged particles in a vacuum and of discharging the resultant particulate or other radiation into a medium at energies usually in excess of 1 MeV. For purposes of this definition, "accelerator" is an equivalent term.

**"Permittee"** means a person who has applied for, and received, a valid site use permit for use of the low-level waste disposal facility at Hanford, Washington.

**"Person"** means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state or political subdivision or agency thereof, and any legal successor, representative, agent or agency of the foregoing, but shall not include federal government agencies.

**"Personal supervision"** means supervision where the supervisor is physically present at the facility and in sufficient proximity that contact can be maintained and immediate assistance given as required.

**"Personnel monitoring equipment."** See individual monitoring devices.

**"PET"** means positron emission tomography.

**"Pharmacist"** means an individual licensed by this state to compound and dispense drugs, and poisons.

**"Physician"** means a medical doctor or doctor of osteopathy licensed by this state to prescribe and dispense drugs in the practice of medicine.

**"Planned special exposure"** means an infrequent exposure to radiation, separate from and in addition to the annual occupational dose limits.

**"Positive pressure respirator"** means a respirator in which the pressure inside the respiratory inlet covering exceeds the ambient air pressure outside the respirator.

**"Powered air-purifying respirator"** (PAPR) means an air-purifying respirator that uses a blower to force the ambient air through air-purifying elements to the inlet covering.

**"Practitioner"** means an individual licensed by the state in the practice of a healing art (i.e., physician, dentist, podiatrist, chiropractor, etc.).

**"Pressure demand respirator"** means a positive pressure atmosphere-supplying respirator that admits breathing air to the facepiece when the positive pressure is reduced inside the facepiece by inhalation.

**"Public dose"** means the dose received by a member of the public from exposure to sources of radiation under the licensee's or registrant's control or to radiation or radioactive material released by the licensee. Public dose does not include occupational dose or doses received from background radiation, from any medical administration the individual has received, from exposure to individuals administered radioactive material and released under chapter 246-240 WAC, or from voluntary participation in medical research programs.

**"Qualified expert"** means an individual who has demonstrated to the satisfaction of the department he/she has the knowledge, training, and experience to measure ionizing radiation, to evaluate safety techniques, and to advise regarding radiation protection needs. The department reserves the right to recognize the qualifications of an individual in specific areas of radiation protection.

**"Qualitative fit test"** (QLFT) means a pass/fail fit test to assess the adequacy of respirator fit that relies on the individual's response to the test agent.

**"Quality factor"** (Q) means the modifying factor, listed in Tables I and II, that is used to derive dose equivalent from absorbed dose.

TABLE I  
QUALITY FACTORS AND ABSORBED DOSE EQUIVALENCIES

TYPE OF RADIATION	Quality Factor (Q)	Absorbed Dose Equal to A Unit Dose Equivalent <sup>a</sup>
X, gamma, or beta radiation and high-speed electrons	1	1
Alpha particles, multiple-charged particles, fission fragments and heavy particles of unknown charge	20	0.05
Neutrons of unknown energy	10	0.1
High-energy protons	10	0.1

<sup>a</sup> Absorbed dose in rad equal to 1 rem or the absorbed dose in gray equal to 1 Sv.

If it is more convenient to measure the neutron fluence rate rather than to determine the neutron dose equivalent rate in sievert per hour or rem per hour as required for Table I, then 0.01 Sv (1 rem) of neutron radiation of unknown energies

may, for purposes of these regulations, be assumed to result from a total fluence of 25 million neutrons per square centimeter incident upon the body. If sufficient information exists to estimate the approximate energy distribution of the neutrons, the licensee or registrant may use the fluence rate per unit dose equivalent or the appropriate Q value from Table II to convert a measured tissue dose in gray or rad to dose equivalent in sievert or rem.

TABLE II

MEAN QUALITY FACTORS, Q, AND FLUENCE PER UNIT DOSE EQUIVALENT FOR MONOENERGETIC NEUTRONS

Neutron Energy (MeV)	Quality Factor <sup>a</sup> (Q)	Fluence per Unit Dose Equivalent <sup>b</sup> (neutrons cm <sup>-2</sup> rem <sup>-1</sup> )	Fluence per Unit Dose Equivalent <sup>b</sup> (neutrons cm <sup>-2</sup> Sv <sup>-1</sup> )
(thermal) 2.5 x 10 <sup>-8</sup>	2	980 x 10 <sup>6</sup>	980 x 10 <sup>8</sup>
1 x 10 <sup>-7</sup>	2	980 x 10 <sup>6</sup>	980 x 10 <sup>8</sup>
1 x 10 <sup>-6</sup>	2	810 x 10 <sup>6</sup>	810 x 10 <sup>8</sup>
1 x 10 <sup>-5</sup>	2	810 x 10 <sup>6</sup>	810 x 10 <sup>8</sup>
1 x 10 <sup>-4</sup>	2	840 x 10 <sup>6</sup>	840 x 10 <sup>8</sup>
1 x 10 <sup>-3</sup>	2	980 x 10 <sup>6</sup>	980 x 10 <sup>8</sup>
1 x 10 <sup>-2</sup>	2.5	1010 x 10 <sup>6</sup>	1010 x 10 <sup>8</sup>
1 x 10 <sup>-1</sup>	7.5	170 x 10 <sup>6</sup>	170 x 10 <sup>8</sup>
5 x 10 <sup>-1</sup>	11	39 x 10 <sup>6</sup>	39 x 10 <sup>8</sup>
1	11	27 x 10 <sup>6</sup>	27 x 10 <sup>8</sup>
2.5	9	29 x 10 <sup>6</sup>	29 x 10 <sup>8</sup>
5	8	23 x 10 <sup>6</sup>	23 x 10 <sup>8</sup>
7	7	24 x 10 <sup>6</sup>	24 x 10 <sup>8</sup>
10	6.5	24 x 10 <sup>6</sup>	24 x 10 <sup>8</sup>
14	7.5	17 x 10 <sup>6</sup>	17 x 10 <sup>8</sup>
20	8	16 x 10 <sup>6</sup>	16 x 10 <sup>8</sup>
40	7	14 x 10 <sup>6</sup>	14 x 10 <sup>8</sup>
60	5.5	16 x 10 <sup>6</sup>	16 x 10 <sup>8</sup>
1 x 10 <sup>2</sup>	4	20 x 10 <sup>6</sup>	20 x 10 <sup>8</sup>
2 x 10 <sup>2</sup>	3.5	19 x 10 <sup>6</sup>	19 x 10 <sup>8</sup>
3 x 10 <sup>2</sup>	3.5	16 x 10 <sup>6</sup>	16 x 10 <sup>8</sup>
4 x 10 <sup>2</sup>	3.5	14 x 10 <sup>6</sup>	14 x 10 <sup>8</sup>

<sup>a</sup> Value of quality factor (Q) at the point where the dose equivalent is maximum in a 30-cm diameter cylinder tissue-equivalent phantom.

<sup>b</sup> Monoenergetic neutrons incident normally on a 30-cm diameter cylinder tissue-equivalent phantom.

**"Quantitative fit test"** (QNFT) means an assessment of the adequacy of respirator fit by numerically measuring the amount of leakage into the respirator.

**"Quarter"** means a period of time equal to one-fourth of the year observed by the licensee, approximately thirteen consecutive weeks, providing that the beginning of the first quarter in a year coincides with the starting date of the year and that no day is omitted or duplicated in consecutive quarters.

**"Rad"** means the special unit of absorbed dose. One rad equals one-hundredth of a joule per kilogram of material; for example, if tissue is the material of interest, then 1 rad equals 100 ergs per gram of tissue. One rad is equal to an absorbed dose of 100 erg/gram or 0.01 joule/kilogram (0.01 gray).

**"Radiation"** means alpha particles, beta particles, gamma rays, X rays, neutrons, high-speed electrons, high-speed protons, and other particles capable of producing ions. For purposes of these regulations, ionizing radiation is an equivalent term. Radiation, as used in these regulations, does not include magnetic fields or nonionizing radiation, like radiowaves or microwaves, visible, infrared, or ultraviolet light.

**"Radiation area"** means any area, accessible to individuals, in which radiation levels could result in an individual receiving a dose equivalent in excess of 0.05 mSv (0.005 rem) in one hour at thirty centimeters from the source of radiation or from any surface that the radiation penetrates.

**"Radiation machine"** means any device capable of producing ionizing radiation except those devices with radioactive materials as the only source of radiation.

**"Radiation safety officer"** means an individual who has the knowledge and responsibility to apply appropriate radiation protection regulations and has been assigned that responsibility by the licensee or registrant.

**"Radiation source."** See "Source of radiation."

**"Radioactive material"** means any material (solid, liquid, or gas) which emits radiation spontaneously.

**"Radioactive waste"** means any radioactive material which is no longer of use and intended for disposal or treatment for the purposes of disposal.

**"Radioactivity"** means the transformation of unstable atomic nuclei by the emission of radiation.

**"Reference man"** means a hypothetical aggregation of human physical and physiological characteristics determined by international consensus. These characteristics may be used by researchers and public health workers to standardize results of experiments and to relate biological insult to a common base.

**"Registrable item"** means any radiation machine except those exempted by RCW 70.98.180 or exempted by the department under the authority of RCW 70.98.080.

**"Registrant"** means any person who is registered by the department or is legally obligated to register with the department in accordance with these rules and the act.

**"Registration"** means registration with the department in accordance with the regulations adopted by the department.

**"Regulations of the United States Department of Transportation"** means the regulations in 49 CFR Parts 170-189, 14 CFR Part 103, and 46 CFR Part 146.

**"Rem"** means the special unit of any of the quantities expressed as dose equivalent. The dose equivalent in rem is equal to the absorbed dose in rad multiplied by the quality factor (1 rem = 0.01 Sv).

**"Research and development"** means: (a) Theoretical analysis, exploration, or experimentation; or (b) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes. Research and development does not include the internal or external administration of radiation or radioactive material to human beings.

**"Respiratory protective equipment"** means an apparatus, such as a respirator, used to reduce an individual's intake of airborne radioactive materials.

**"Restricted area"** means any area to which access is limited by the licensee or registrant for purposes of protecting individuals against undue risks from exposure to radiation and radioactive material. "Restricted area" does not include any areas used for residential quarters, although a separate room or rooms in a residential building may be set apart as a restricted area.

**"Roentgen" (R)** means the special unit of exposure. One roentgen equals  $2.58 \times 10^{-4}$  coulombs/kilogram of air.

**"Sanitary sewerage"** means a system of public sewers for carrying off waste water and refuse, but excluding sewage treatment facilities, septic tanks, and leach fields owned or operated by the licensee or registrant.

**"Sealed source"** means any radioactive material that is encased in a capsule designed to prevent leakage or the escape of the radioactive material.

**"Self-contained breathing apparatus" (SCBA)** means an atmosphere-supplying respirator for which the breathing air source is designed to be carried by the user.

**"Shallow dose equivalent" (H<sub>s</sub>)**, which applies to the external exposure of the skin of the whole body or the skin of an extremity, means the dose equivalent at a tissue depth of 0.007 centimeter (7 mg/cm<sup>2</sup>).

**"SI"** means an abbreviation of the International System of Units.

**"Sievert"** means the SI unit of any of the quantities expressed as dose equivalent. The dose equivalent in sievert is equal to the absorbed dose in gray multiplied by the quality factor (1 Sv = 100 rem).

**"Site area emergency"** means events may occur, are in progress, or have occurred that could lead to a significant release of radioactive material and that could require a response by offsite response organizations to protect persons offsite.

**"Site boundary"** means that line beyond which the land or property is not owned, leased, or otherwise controlled by the licensee or registrant.

**"Source container"** means a device in which radioactive material is transported or stored.

**"Source material"** means: (a) Uranium or thorium, or any combination thereof, in any physical or chemical form, or (b) ores which contain by weight one-twentieth of one percent (0.05 percent) or more of (i) uranium, (ii) thorium, or (iii) any combination thereof. Source material does not include special nuclear material.

**"Source material milling"** means the extraction or concentration of uranium or thorium from any ore processing primarily for its source material content.

**"Source of radiation"** means any radioactive material, or any device or equipment emitting or capable of producing ionizing radiation.

**"Special nuclear material"** means:

(a) Plutonium, uranium-233, uranium enriched in the isotope 233 or in the isotope 235, and any other material that the United States Nuclear Regulatory Commission, under the provisions of section 51 of the Atomic Energy Act of 1954, as

amended, determines to be special nuclear material, but does not include source material; or

(b) Any material artificially enriched in any of the foregoing, but does not include source material.

**"Special nuclear material in quantities not sufficient to form a critical mass"** means uranium enriched in the isotope U-235 in quantities not exceeding three hundred fifty grams of contained U-235; uranium-233 in quantities not exceeding two hundred grams; plutonium in quantities not exceeding two hundred grams; or any combination of them in accordance with the following formula: For each kind of special nuclear material, determine the ratio between the quantity of that special nuclear material and the quantity specified above for the same kind of special nuclear material. The sum of the ratios for all of the kinds of special nuclear material in combination shall not exceed "1" (i.e., unity). For example, the following quantities in combination would not exceed the limitation and are within the formula:

$$\frac{175 \text{ (grams contained U-235)}}{350} + \frac{50 \text{ (grams U-233)}}{200} + \frac{50 \text{ (grams Pu)}}{200} < 1$$

**"Stochastic effect"** means a health effect that occurs randomly and for which the probability of the effect occurring, rather than its severity, is assumed to be a linear function of dose without threshold. Hereditary effects and cancer incidence are examples of stochastic effects. For purposes of these regulations, probabilistic effect is an equivalent term.

**"Supplied-air respirator" (SAR)** or "airline respirator" means an atmosphere-supplying respirator for which the source of breathing air is not designed to be carried by the user.

**"Survey"** means an evaluation of the radiological conditions and potential hazards incident to the production, use, release, disposal, or presence of sources of radiation. When appropriate, the evaluation includes, but is not limited to, tests, physical examinations, calculations and measurements of levels of radiation or concentration of radioactive material present.

**"Test"** means (a) the process of verifying compliance with an applicable regulation, or (b) a method for determining the characteristics or condition of sources of radiation or components thereof.

**"These rules"** mean all parts of the rules for radiation protection of the state of Washington.

**"Tight-fitting facepiece"** means a respiratory inlet covering that forms a complete seal with the face.

**"Total effective dose equivalent" (TEDE)** means the sum of the deep dose equivalent for external exposures and the committed effective dose equivalent for internal exposures.

**"Total organ dose equivalent" (TODE)** means the sum of the deep dose equivalent and the committed dose equivalent to the organ or tissue receiving the highest dose.

**"United States Department of Energy"** means the Department of Energy established by Public Law 95-91, August 4, 1977, 91 Stat. 565, 42 U.S.C. 7101 et seq., to the extent that the department exercises functions formerly vested in the United States Atomic Energy Commission, its chairman, members, officers and components and transferred to the United States Energy Research and Development Administration and to the administrator thereof under sections 104 (b), (c) and (d) of the Energy Reorganization Act of 1974 (Public Law 93-438, October 11, 1974, 88 Stat. 1233 at 1237, 42 U.S.C. 5814 effective January 19, 1975) and retransferred to the Secretary of Energy under section 301(a) of the Department of Energy Organization Act (Public Law 95-91, August 4, 1977, 91 Stat. 565 at 577-578, 42 U.S.C. 7151, effective October 1, 1977).

**"Unrefined and unprocessed ore"** means ore in its natural form prior to any processing, such as grinding, roasting, beneficiating, or refining.

**"Unrestricted area"** (uncontrolled area) means any area which is not a restricted area. Areas where the external dose exceeds 2 mrem in any one hour or where the public dose, taking into account occupancy factors, will exceed 100 mrem total effective dose equivalent in any one year must be restricted.

**"User seal check"** (fit check) means an action conducted by the respirator user to determine if the respirator is properly seated to the face. Examples include negative pressure check, positive pressure check, irritant smoke check, or isoamyl acetate check.

**"Very high radiation area"** means an area, accessible to individuals, in which radiation levels from radiation sources external to the body could result in an individual receiving an absorbed dose in excess of 5 Gy (500 rad) in one hour at one meter from a source of radiation or one meter from any surface that the radiation penetrates.

**"Waste"** means those low-level radioactive wastes containing source, special nuclear or byproduct material that are acceptable for disposal in a land disposal facility. For purposes of this definition, low-level radioactive waste means radioactive waste not classified as high-level radioactive waste, transuranic waste, spent nuclear fuel, or byproduct material as defined in this section.

**"Waste handling licensees"** mean persons licensed to receive and store radioactive wastes prior to disposal and/or persons licensed to dispose of radioactive waste.

**"Week"** means seven consecutive days starting on Sunday.

**"Weighting factor"**  $w_T$  for an organ or tissue (T) means the proportion of the risk of stochastic effects resulting from irradiation of that organ or tissue to the total risk of stochastic effects when the whole body is irradiated uniformly. For calculating the effective dose equivalent, the values of  $w_T$  are:

ORGAN DOSE WEIGHTING FACTORS	
Organ or Tissue	$w_T$
Gonads	0.25
Breast	0.15
Red bone marrow	0.12
Lung	0.12

Organ or Tissue	$w_T$
Thyroid	0.03
Bone surfaces	0.03
Remainder	0.30 <sup>a</sup>
Whole Body	1.00 <sup>b</sup>

<sup>a</sup> 0.30 results from 0.06 for each of 5 "remainder" organs, excluding the skin and the lens of the eye, that receive the highest doses.

<sup>b</sup> For the purpose of weighting the external whole body dose, for adding it to the internal dose, a single weighting factor,  $w_T = 1.0$ , has been specified. The use of other weighting factors for external exposure will be approved on a case-by-case basis until such time as specific guidance is issued.

**"Whole body"** means, for purposes of external exposure, head, trunk including male gonads, arms above the elbow, or legs above the knee.

**"Worker"** means an individual engaged in activities under a license or registration issued by the department and controlled by a licensee or registrant but does not include the licensee or registrant. Where the licensee or registrant is an individual rather than one of the other legal entities defined under "person," the radiation exposure limits for the worker also apply to the individual who is the licensee or registrant. If students of age eighteen years or older are subjected routinely to work involving radiation, then the students are considered to be workers. Individuals of less than eighteen years of age shall meet the requirements of WAC 246-221-050.

**"Working level"** (WL) means any combination of short-lived radon daughters in 1 liter of air that will result in the ultimate emission of  $1.3 \times 10^5$  MeV of potential alpha particle energy. The short-lived radon daughters are — for radon-222: Polonium-218, lead-214, bismuth-214, and polonium-214; and for radon-220: Polonium-216, lead-212, bismuth-212, and polonium-212.

**"Working level month"** (WLM) means an exposure to one working level for one hundred seventy hours — two thousand working hours per year divided by twelve months per year is approximately equal to one hundred seventy hours per month.

**"Year"** means the period of time beginning in January used to determine compliance with the provisions of these regulations. The licensee or registrant may change the starting date of the year used to determine compliance by the licensee or registrant provided that the change is made at the beginning of the year and that no day is omitted or duplicated in consecutive years.

**AMENDATORY SECTION** (Amending WSR 05-21-128, 05-23-113 and 06-01-105, filed 10/19/05, 11/18/05 and 12/21/05, effective 8/15/06)

**WAC 246-249-010 Definitions.** As used in this chapter, the following definitions apply:

(1) (~~"Low-level radioactive waste," consistent with the Low-Level Radioactive Waste Policy Amendments Act of 1985, Public Law 99-240, means radioactive waste not classified as high-level radioactive waste, spent nuclear fuel, or by-product material as defined in section 11e.(2) of the Atomic Energy Act.~~

(2)) "Broker" means a person who performs one or more of the following functions for a radioactive waste generator:

- (a) Arranges for transportation of the radioactive waste;
- (b) Collects and/or consolidates shipments of radioactive waste (waste collector);
- (c) Processes radioactive waste in some manner, not including carriers whose sole function is to transport radioactive waste (waste processor).

(2) "By-product material" means:

(a) Any radioactive material (except special nuclear material) yielded in, or made radioactive by, exposure to the radiation incident to the process of producing or using special nuclear material;

(b) The tailings or wastes produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material content, including discrete surface wastes resulting from uranium solution extraction processes. Underground ore bodies depleted by these solution extraction operations do not constitute by-product material within this definition;

(c)(i) Any discrete source of radium-226 that is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research activity; or

(ii) Any material that:

(A) Has been made radioactive by use of a particle accelerator; and

(B) Is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research activity; and

(d) Any discrete source of naturally occurring radioactive material, other than source material, that:

(i) The Nuclear Regulatory Commission, in consultation with the administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of Homeland Security, and the head of any other appropriate federal agency, determines would pose a threat similar to the threat posed by a discrete source of radium-226 to the public health and safety or the common defense and security; and

(ii) Before, on, or after August 8, 2005, is extracted or converted after extraction for use in a commercial, medical, or research activity.

(3) "Chelating agent" means amine polycarboxylic acids (e.g., EDTA, DTPA), hydroxy-carboxylic acids, and polycarboxylic acids (e.g., citric acid, carboic acid, and glucinic acid).

(4) "Chemical description" means a description of the principal chemical characteristics of a radioactive waste.

(5) "Computer-readable medium" means the regulatory agency's computer can transfer the information from the medium into its memory.

(6) "Consignee" means the designated receiver of the shipment of radioactive waste.

(7) "Decontamination facility" means a facility operating under a commission or agreement state license whose principal purpose is decontamination of equipment or materials to accomplish recycle, reuse, or other waste management objectives, and, for purposes of this section, is not considered to be a consignee for radioactive waste shipments.

(8) "Disposal container" means a container principally used to confine radioactive waste during disposal operations at a land disposal facility (also see "high integrity container"). Note that for some shipments, the disposal container may be the transport package.

(9) "EPA identification number" means the number assigned by the EPA administrator under 40 CFR Part 263.

(10) "Generator" means any entity including a licensee operating under a commission or agreement state license who:

(a) Is a waste generator as defined in this part; or

(b) Is the entity or licensee to whom waste can be attributed within the context of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (e.g., waste generated as a result of decontamination or recycle activities).

(11) "High integrity container (HIC)" means a container commonly designed to meet the structural stability requirements of this chapter, and to meet department of transportation Type A package requirements.

(12) "Land disposal facility" means the land, buildings, and equipment which are intended to be used for the disposal of radioactive wastes. For the purposes of this chapter, a land disposal facility does not include a geologic repository.

(13) "Low-level radioactive waste," consistent with the Low-Level Radioactive Waste Policy Amendments Act of 1985, Public Law 99-240, means radioactive waste not classified as high-level radioactive waste, spent nuclear fuel, or by-product material as defined in section 11e.(2) of the Atomic Energy Act.

(14) "Motor vehicle" means any vehicle, truck, tractor, semi-trailer, or trailer (or any permitted combination of these), driven by mechanical power and used upon the highways to carry property.

~~((14))~~ (15) "Motor common carrier" means a person holding itself out to the general public to provide motor vehicle transportation for compensation over regular or irregular routes, or both.

~~((15))~~ (16) "Motor contract carrier" means a person other than a common carrier providing motor vehicle transportation of property for compensation under continuing agreements with one or more persons.

~~((16))~~ (17) "Motor private carrier" means a person, other than a motor carrier, transporting property by motor vehicle when the person is the owner, lessee, or bailee of the property being transported; and the property is being transported for sale, lease, rent, or bailment, or to further a commercial enterprise.

~~((17))~~ (18) "Motor carrier" means a motor common carrier and a motor contract carrier.

~~((18))~~ (19) "Naturally occurring and accelerator produced material" (NARM) means any radioactive material of natural or accelerator origin; but does not include by-product, source or special nuclear material. Diffuse NARM is low activity NARM that has less than 2 nCi/g of 226-Ra.

~~((19))~~ (20) "NRC Forms 540, 540A, 541, 541A, 542, and 542A" are official NRC Forms referenced in this section. Licensees need not use originals of these NRC Forms as long as any substitute forms are equivalent to the original documentation in respect to content, clarity, size, and location of information. Upon agreement between the shipper and con-

signee, NRC Forms 541 (and 541A) and NRC Forms 542 (and 542A) may be completed, transmitted, and stored in electronic media. The electronic media must have the capability for producing legible, accurate, and complete records in the format of the uniform manifest.

~~((20))~~ (21) "Package" means the assembly of components necessary to ensure compliance with the packaging requirements of DOT regulations, together with its radioactive contents, as presented for transport.

~~((21))~~ (22) "Physical description" means the items on NRC Form 541 that describe a radioactive waste.

~~((22))~~ (23) "Radioactive waste" means either or both low-level radioactive waste and naturally occurring and accelerator produced radioactive material.

~~((23))~~ (24) "Residual waste" means radioactive waste resulting from processing or decontamination activities that cannot be easily separated into distinct batches attributable to specific waste generators. This waste is attributable to the processor or decontamination facility, as applicable.

~~((24))~~ (25) "Rollover volume" means the difference, in a calendar year, between the volume of NARM disposed at the disposal site and the site volume limit set forth under WAC 246-249-080(4).

~~((25))~~ (26) "Shipper" means the licensed entity (i.e., the waste generator, waste collector, or waste processor) who offers radioactive waste for transportation, typically consigning this type of waste to a licensed waste collector, waste processor, or land disposal facility operator.

~~((26))~~ (27) "Shipment" means the total radioactive waste material transported in one motor vehicle.

~~((27))~~ (28) "Shipping paper" means NRC Form 540 and, if required, NRC Form 540A which includes the information required by DOT in 49 CFR Part 172.

~~((28))~~ (29) "Transuranic waste" means material contaminated with elements that have an atomic number greater than 92.

~~((29))~~ (30) "Uniform Low-Level Radioactive Waste Manifest or uniform manifest" means the combination of NRC Forms 540, 541, and, if necessary, 542, and their respective continuation sheets as needed, or equivalent.

~~((30))~~ (31) "Waste" means those low-level radioactive wastes containing source, special nuclear, or by-product material that are acceptable for disposal in a land disposal facility. For the purposes of this definition, low-level radioactive waste means radioactive waste not classified as high-level radioactive waste, transuranic waste, spent nuclear fuel, or by-product material as defined in WAC 246-249-010 (2)(b), (c), and (d).

(32) "Waste collector" means an entity, operating under a commission or agreement state license, whose principal purpose is to collect and consolidate waste generated by others, and to transfer this waste, without processing or repackaging the collected waste, to another licensed waste collector, licensed waste processor, or licensed land disposal facility.

~~((31))~~ (33) "Waste description" means the physical, chemical and radiological description of a radioactive waste as called for on NRC Form 541.

~~((32))~~ (34) "Waste generator" means an entity, operating under a commission or agreement state license, who:

(a) Possesses any material or component that contains radioactivity or is radioactively contaminated for which the licensee foresees no further use; and

(b) Transfers this material or component to a licensed land disposal facility or to a licensed waste collector or processor for handling or treatment prior to disposal.

A licensee performing processing or decontamination services may be a "waste generator" if the transfer of radioactive waste from its facility is defined as "residual waste."

~~((33))~~ (35) "Waste processor" means an entity, operating under a commission or agreement state license, whose principal purpose is to process, repackage, or otherwise treat radioactive material or waste generated by others prior to eventual transfer of waste to a licensed low-level radioactive waste land disposal facility.

~~((34))~~ (36) "Waste type" means a waste within a disposal container having a unique physical description (i.e., a specific waste descriptor code or description; or a waste sorbed on or solidified or stabilized in a specifically defined media).

AMENDATORY SECTION (Amending WSR 05-21-128, 05-23-113 and 06-01-105, filed 10/19/05, 11/18/05 and 12/21/05, effective 8/15/06)

**WAC 246-249-090 Transfer for disposal and manifests.** The requirements of this section are designed to control transfers of radioactive waste by any waste generator, waste collector, or waste processor licensee who ships radioactive waste either directly, or indirectly through a waste collector or waste processor, to a licensed low-level waste land disposal facility; establish a manifest tracking system; and supplement existing requirements concerning transfers and recordkeeping for those wastes.

(1) Effective March 1, 1998, each shipment of radioactive waste intended for disposal at a licensed land disposal facility in the state of Washington must be accompanied by a uniform low-level radioactive waste shipment manifest.

(2) Any licensee shipping radioactive waste intended for ultimate disposal at a licensed land disposal facility must document the information required on NRC's Uniform Low-Level Radioactive Waste Manifest and transfer this recorded manifest information to the intended consignee in accordance with this section.

(a) Each shipment manifest must include a certification by the waste generator as specified in this section.

(b) Each person involved in the transfer for disposal and disposal of waste, including the waste generator, waste collector, waste processor, and disposal facility operator, shall comply with the requirements specified in this section.

(c) Any licensee shipping by-product material as defined in this chapter intended for ultimate disposal at a land disposal facility licensed under chapter 246-250 WAC must document the information required on NRC's Uniform Low-Level Radioactive Waste Manifest and transfer this recorded manifest information to the intended consignee in accordance with this section.

(d) When recording information on shipment manifests, information must be recorded in the International System of

Units (SI) or in SI and units of curie, rad, rem, including multiples and subdivisions.

(3) A waste generator, collector, or processor who transports, or offers for transportation, radioactive waste intended for ultimate disposal at a licensed low-level radioactive waste land disposal facility must prepare a manifest reflecting information requested on applicable NRC Forms 540 (Uniform Low-Level Radioactive Waste Manifest (Shipping Paper)) and 541 (Uniform Low-Level Radioactive Waste Manifest (Container and Waste Description)) and, if necessary, on an applicable NRC Form 542 (Uniform Low-Level Radioactive Waste Manifest (Manifest Index and Regional Compact Tabulation)). NRC Forms 540 and 540A must be completed and must physically accompany the pertinent low-level waste shipment. Upon agreement between shipper and consignee, NRC Forms 541 and 541A and 542 and 542A may be completed, transmitted, and stored in electronic media with the capability for producing legible, accurate, and complete records on the respective forms. Licensees are not required by the department to comply with the manifesting requirements of this section when they ship:

(a) Radioactive waste for processing and expect its return (i.e., for storage under their license) prior to disposal at a licensed land disposal facility;

(b) Radioactive waste that is being returned to the licensee who is the "waste generator" or "generator," as defined in this part; or

(c) Radioactively contaminated material to a "waste processor" that becomes the processor's "residual waste."

For guidance in completing these forms, refer to the instructions that accompany the forms. Copies of manifests required by this section may be legible carbon copies, photocopies, or computer printouts that reproduce the data in the format of the uniform manifest.

This section includes information requirements of the U.S. Department of Transportation, as codified in 49 CFR Part 172. Information on hazardous, medical, or other waste, required to meet Environmental Protection Agency regulations, as codified in 40 CFR Parts 259, 261 or elsewhere, is not addressed in this section, and must be provided on the required EPA forms. However, the required EPA forms must accompany the Uniform Low-Level Radioactive Waste Manifest required by this section.

(4) Information requirements.

(a) General information.

The shipper of the radioactive waste, shall provide the following information on the uniform manifest:

(i) The name, facility address, and telephone number of the licensee shipping the waste;

(ii) An explicit declaration indicating whether the shipper is acting as a waste generator, collector, processor, or a combination of these identifiers for purposes of the manifested shipment; and

(iii) The name, address, and telephone number, or the name and EPA identification number for the carrier transporting the waste.

(b) Shipment information.

The shipper of the radioactive waste shall provide the following information regarding the waste shipment on the uniform manifest:

- (i) The date of the waste shipment;
- (ii) The total number of packages/disposal containers;
- (iii) The total disposal volume and disposal weight in the shipment;
- (iv) The total radionuclide activity in the shipment;
- (v) The activity of each of the radionuclides H-3, C-14, Tc-99, and I-129 contained in the shipment; and
- (vi) The total masses of U-233, U-235, and plutonium in special nuclear material, and the total mass of uranium and thorium in source material.

(c) Disposal container and waste information.

The shipper of the radioactive waste shall provide the following information on the uniform manifest regarding the waste and each disposal container of waste in the shipment:

(i) An alphabetic or numeric identification that uniquely identifies each disposal container in the shipment;

(ii) A physical description of the disposal container, including the manufacturer and model of any high integrity container;

(iii) The volume displaced by the disposal container;

(iv) The gross weight of the disposal container, including the waste;

(v) For waste consigned to a disposal facility, the maximum radiation level at the surface of each disposal container;

(vi) A physical and chemical description of the waste;

(vii) The total weight percentage of chelating agent for any waste containing more than 0.1% chelating agent by weight, plus the identity of the principal chelating agent;

(viii) The approximate volume of waste within a container;

(ix) The sorbing, stabilization, or solidification media, if any, and the identity of the solidification or stabilization media vendor and brand name;

(x) The identities and activities of individual radionuclides contained in each container, the masses of U-233, U-235, and plutonium in special nuclear material, and the masses of uranium and thorium in source material. For discrete waste types (i.e., activated materials, contaminated equipment, mechanical filters, sealed source/devices, and wastes in solidification/stabilization media), the identities and activities of individual radionuclides associated with or contained on these waste types within a disposal container shall be reported;

(xi) The total radioactivity within each container; and

(xii) For wastes consigned to a disposal facility, the classification of the waste under this chapter. The shipper must identify the waste if it does not meet the structural stability requirements in this chapter.

(d) Uncontainerized waste information.

The shipper of the radioactive waste shall provide the following information on the uniform manifest regarding a waste shipment delivered without a disposal container:

(i) The approximate volume and weight of the waste;

(ii) A physical and chemical description of the waste;

(iii) If the chelating agent exceeds 0.1% by weight, the total weight percentage of chelating agent plus the identity of the principal chelating agent;

(iv) For waste consigned to a disposal facility, the classification of the waste under this chapter. The shipper must

identify the waste if it does not meet the structural stability requirements in this chapter;

(v) The identities and activities of individual radionuclides contained in the waste, the masses of U-233, U-235, and plutonium in special nuclear material, and the masses of uranium and thorium in source material; and

(vi) For wastes consigned to a disposal facility, the maximum radiation levels at the surface of the waste.

(e) Multigenerator disposal container information.

This subsection applies to disposal containers enclosing mixtures of waste originating from different generators. (Note: The origin of the radioactive waste resulting from a processor's activities may be attributable to one or more "generators," including "waste generators." It also applies to mixtures of wastes shipped in an uncontainerized form, for which portions of the mixture within the shipment originate from different generators.)

(i) For homogeneous mixtures of waste, such as incinerator ash, provide waste description applicable to the mixture and the volume of the waste attributed to each generator.

(ii) For heterogeneous mixtures of waste, such as the combined products from a large compactor, identify each generator contributing waste to the disposal container, and, for discrete waste types (i.e., activated materials, contaminated equipment, mechanical filters, sealed source/devices, and wastes in solidification/stabilization media), the identities and activities of individual radionuclides contained on these waste types within the disposal container. For each generator, provide the following:

(A) The volume of waste within the disposal container;

(B) A physical and chemical description of the waste, including the stabilization or solidification agent, if any;

(C) The total weight percentage of chelating agents for any disposal container containing more than 0.1% chelating agent by weight, plus the identity of the principal chelating agent;

(D) The sorbing, solidification, or stabilization media, if any, and the identity of the stabilization media vendor and brand name, if the media is claimed to meet stability requirements in WAC 246-249-050(2); and

(E) Radionuclide identities and activities contained in the waste, the masses of U-233, U-235, and plutonium in special nuclear material, and the masses of uranium and thorium in source material if contained in the waste.

(5) Certification.

An authorized representative of the waste generator, processor, or collector shall certify by signing and dating the shipment manifest that the transported materials are properly classified, described, packaged, marked, and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation, the U.S. Nuclear Regulatory Commission, and the department. A collector in signing the certification is certifying that nothing has been done to the collected waste which would invalidate the waste generator's certification.

(6) Control and tracking.

(a) Any licensee who transfers radioactive waste to a land disposal facility or a licensed waste collector shall comply with the requirements in (a)(i) through (ix) of this subsection. Any licensee who transfers waste to a licensed waste

processor for waste treatment or repackaging shall comply with the requirements of (a)(iv) through (ix) of this section. A licensee shall:

(i) Prepare all wastes so that the waste is classified according to WAC 246-249-040 and meets the waste characteristics requirements in WAC 246-249-050;

(ii) Label each disposal container (or transport package if potential radiation hazards preclude labeling of the individual disposal container) of waste to identify whether it is Class A waste, Class B waste, Class C waste, or greater than Class C waste, in accordance with WAC 246-249-040;

(iii) Conduct a quality assurance program to assure compliance with WAC 246-249-040 and 246-249-050 (the program must include management evaluation of audits);

(iv) Prepare the NRC Uniform Low-Level Radioactive Waste Manifest as required by this section;

(v) Forward a copy or electronically transfer the Uniform Low-Level Radioactive Waste Manifest to the intended consignee so that either receipt of the manifest precedes the waste shipment or the manifest is delivered to the consignee with the waste at the time the waste is transferred to the consignee. Using both methods is also acceptable;

(vi) Include NRC Form 540 (and NRC Form 540A, if required) with the shipment regardless of the option chosen in (a)(v) of this subsection;

(vii) Receive (~~(acknowledgement)~~) acknowledgment of the receipt of the shipment in the form of a signed copy of NRC Form 540;

(viii) Retain a copy of, or electronically store the Uniform Low-Level Radioactive Waste Manifest and documentation of (~~(acknowledgement)~~) acknowledgment of receipt as the record of transfer of licensed material as required by these regulations; and

(ix) For any shipments or any part of a shipment for which (~~(acknowledgement)~~) acknowledgment of receipt has not been received within the times set forth in this section, conduct an investigation in accordance with (e) of this subsection.

(b) Any waste collector licensee who handles only pre-packaged waste shall:

(i) Acknowledge receipt of the waste from the shipper within one week of receipt by returning a signed copy of NRC Form 540;

(ii) Prepare a new manifest to reflect consolidated shipments that meet the requirements of this section. The waste collector shall ensure that, for each container of waste in the shipment, the manifest identifies the generator of that container of waste;

(iii) Forward a copy or electronically transfer the Uniform Low-Level Radioactive Waste Manifest to the intended consignee so that either receipt of the manifest precedes the waste shipment, or the manifest is delivered to the consignee with the waste at the time the waste is transferred to the consignee. Using both methods is also acceptable;

(iv) Include NRC Form 540 (and NRC Form 540A, if required) with the shipment regardless of the option chosen in (b)(iii) of this subsection;

(v) Receive (~~(acknowledgement)~~) acknowledgment of the receipt of the shipment in the form of a signed copy of NRC Form 540;

(vi) Retain a copy of or electronically store the Uniform Low-Level Radioactive Waste Manifest and documentation of ~~((acknowledgement))~~ acknowledgment of receipt as the record of transfer of licensed material as required by these regulations;

(vii) For any shipments or any part of a shipment for which ~~((acknowledgement))~~ acknowledgment of receipt has not been received within the times set forth in this section, conduct an investigation in accordance with this section; and

(viii) Notify the shipper and the department when any shipment, or part of a shipment, has not arrived within sixty days after receipt of an advance manifest, unless notified by the shipper that the shipment has been canceled.

(c) Any licensed waste processor who treats or repackages waste shall:

(i) Acknowledge receipt of the waste from the shipper within one week of receipt by returning a signed copy of NRC Form 540;

(ii) Prepare a new manifest that meets the requirements of this section. Preparation of the new manifest reflects that the processor is responsible for meeting these requirements. For each container of waste in the shipment, the manifest shall identify the waste generators, the preprocessed waste volume, and the other information as required in subsection (4)(e) of this section;

(iii) Prepare all wastes so that the waste is classified according to WAC 246-249-040 and meets the waste characteristics requirements in WAC 246-249-050;

(iv) Label each package of waste to identify whether it is Class A waste, Class B waste, or Class C waste, in accordance with WAC 246-249-040 and 246-249-060;

(v) Conduct a quality assurance program to assure compliance with WAC 246-249-040 and 246-249-050 (the program shall include management evaluation of audits);

(vi) Forward a copy or electronically transfer the Uniform Low-Level Radioactive Waste Manifest to the intended consignee so that either receipt of the manifest precedes the waste shipment, or the manifest is delivered to the consignee with the waste at the time the waste is transferred to the consignee. Using both methods is also acceptable;

(vii) Include NRC Form 540 (and NRC Form 540A, if required) with the shipment regardless of the option chosen in (c)(vi) of this subsection;

(viii) Receive ~~((acknowledgement))~~ acknowledgment of the receipt of the shipment in the form of a signed copy of NRC Form 540;

(ix) Retain a copy of or electronically store the Uniform Low-Level Radioactive Waste Manifest and documentation of ~~((acknowledgement))~~ acknowledgment of receipt as the record of transfer of licensed material as required by these regulations;

(x) For any shipment or any part of a shipment for which ~~((acknowledgement))~~ acknowledgment of receipt has not been received within the times set forth in this section, conduct an investigation in accordance with (e) of this subsection; and

(xi) Notify the shipper and the department when any shipment, or part of a shipment, has not arrived within sixty days after receipt of an advance manifest, unless notified by the shipper that the shipment has been canceled.

(d) The land disposal facility operator shall:

(i) Acknowledge receipt of the waste within one week of receipt by returning, as a minimum, a signed copy of NRC Form 540 to the shipper. The shipper to be notified is the licensee who last possessed the waste and transferred the waste to the operator. If any discrepancy exists between materials listed on the Uniform Low-Level Radioactive Waste Manifest and materials received, copies or electronic transfer of the affected forms must be returned indicating the discrepancy;

(ii) Maintain copies of all completed manifests and electronically store the information required by WAC 246-250-600(8) until the license is terminated; and

(iii) Notify the shipper and the department when any shipment, or part of a shipment, has not arrived within sixty days after receipt of an advance manifest, unless notified by the shipper that the shipment has been canceled.

(e) If the shipper does not receive ~~((acknowledgement))~~ acknowledgment from the land disposal facility operator for any shipment or part of a shipment within the times set in this section, the shipper must:

(i) Investigate if the shipper has not received notification or receipt within twenty days after transfer; and

(ii) Trace the shipment or part of shipment and report the investigation to the department. Each licensee who conducts a trace investigation shall file a written report with the department within two weeks of completion of the investigation.

AMENDATORY SECTION (Amending WSR 97-02-014, filed 12/20/96, effective 1/20/97)

**WAC 246-250-010 Definitions.** As used in this chapter, the following definitions apply:

(1) "Active maintenance" means any significant activity needed during the period of institutional control to maintain a reasonable assurance that the performance objectives of WAC 246-250-170 and 246-250-180 are met. Such active maintenance includes ongoing activities such as the pumping and treatment of water from a disposal unit or one-time measures such as replacement of a disposal unit cover. Active maintenance does not include custodial activities such as repair of fencing, repair or replacement of monitoring equipment, revegetation, minor additions to soil cover, minor repair of disposal unit covers, and general disposal site upkeep such as mowing grass.

(2) "Buffer zone" means a portion of the disposal site that is controlled by the licensee or by the United States Department of Energy and that lies under the disposal units and between the disposal units and the boundary of the site.

(3) "By-product material" means:

(a) Any radioactive material (except special nuclear material) yielded in, or made radioactive by, exposure to the radiation incident to the process of producing or using special nuclear material.

(b) The tailings or wastes produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material content, including discrete surface wastes resulting from uranium solution extraction processes. Underground ore bodies depleted by these solution

extraction operations do not constitute "by-product material" within this definition:

(c)(i) Any discrete source of radium-226 that is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research activity; or

(ii) Any material that:

(A) Has been made radioactive by use of a particular accelerator; and

(B) Is produced, extracted, or converted after extraction, before, on, or after August 8, 2005, for use for a commercial, medical, or research activity; and

(d) Any discrete source of naturally occurring radioactive material, other than source material, that:

(i) The commission, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of Homeland Security, and the head of any other appropriate federal agency determines would pose a threat similar to the threat posed by a discrete source of radium-226 to the public health and safety or the common defense and security; and

(ii) Before, on, or after August 8, 2005, is extracted or converted after extraction for use in a commercial, medical, or research activity.

(4) "Chelating agent" means amine polycarboxylic acids, hydroxy-carboxylic acids, gluconic acid, and polycarboxylic acids.

((4)) (5) "Commencement of construction" means any clearing of land, excavation, or other substantial action that would adversely affect the environment of a land disposal facility. The term does not mean disposal site exploration, necessary roads for disposal site exploration, borings to determine foundation conditions, or other preconstruction monitoring or testing to establish background information related to the suitability of the disposal site or the protection of environmental values.

((5)) (6) "Custodial agency" means an agency of the government designated to act on behalf of the government owner of the disposal site.

((6)) (7) "Disposal" means the isolation of wastes from the biosphere inhabited by man and his food chains by emplacement in a land disposal facility.

((7)) (8) "Disposal site" means that portion of a land disposal facility which is used for disposal of waste. It consists of disposal units and a buffer zone.

((8)) (9) "Disposal unit" means a discrete portion of the disposal site into which waste is placed for disposal. For near-surface disposal, the unit is usually a trench.

((9)) (10) "Engineered barrier" means a man-made structure or device that is intended to improve the land disposal facility's ability to meet the performance objectives in this chapter.

((10)) (11) "Explosive material" means any chemical compound, mixture, or device which produces a substantial instantaneous release of gas and heat spontaneously or by contact with sparks or flame.

((11)) (12) "Hazardous waste" means those wastes designated as hazardous by United States Environmental Protection Agency regulations in 40 CFR Part 261.

((12)) (13) "Hydrogeologic unit" means any soil or rock unit or zone which by virtue of its porosity or permeability, or lack thereof, has a distinct influence on the storage or movement of ground water.

((13)) (14) "Inadvertent intruder" means a person who might occupy the disposal site after closure and engage in normal activities, such as agriculture, dwelling construction, or other pursuits in which an individual might be unknowingly exposed to radiation from the waste.

((14)) (15) "Intruder barrier" means a sufficient depth of cover over the waste that inhibits contact with waste and helps to ensure that radiation exposures to an inadvertent intruder will meet the performance objectives set forth in this chapter, or engineered structures that provide equivalent protection to the inadvertent intruder.

((15)) (16) "Land disposal facility" means the land, buildings, and equipment which are intended to be used for the disposal of wastes into the subsurface of the land. For purposes of this chapter, a land disposal facility does not include a geologic repository.

((16)) (17) "Monitoring" means observing and making measurements to provide data to evaluate the performance and characteristics of the disposal site.

((17)) (18) "Near-surface disposal facility" means a land disposal facility in which waste is disposed within approximately the upper thirty meters of the earth's surface.

((18)) (19) "Pyrophoric liquid" means any liquid that ignites spontaneously in dry or moist air at or below 130°F (54.4°C).

((19)) (20) "Pyrophoric solid" means any solid material, other than one classed as an explosive, which under normal conditions, is liable to cause fires through friction, retained heat from manufacturing or processing, or which can be ignited readily and, when ignited, burns so vigorously and persistently as to create a serious transportation, handling, or disposal hazard. Included are spontaneously combustible and water-reactive materials.

((20)) (21) "Site closure and stabilization" means those actions that are taken upon completion of operations that prepare the disposal site for custodial care and that assure that the disposal site will remain stable and will not need ongoing active maintenance.

((21)) (22) "Stability" means structural stability.

((22)) (23) "Surveillance" means monitoring and observation of the disposal site for purposes of visual detection of need for maintenance, custodial care, evidence of intrusion, and compliance with other license and regulatory requirements.

((23)) (24) "Waste" means those low-level radioactive wastes containing source, special nuclear, or by-product material that are acceptable for disposal in a land disposal facility. For the purposes of this definition, low-level radioactive waste ~~((has the same meaning as in the Low-Level Radioactive Waste Policy Amendments Act of 1985, Public Law 99-240, that is,))~~ means radioactive waste not classified as high-level radioactive waste, transuranic waste, spent nuclear fuel, or by-product material as defined in ~~((section 11 e.(2) of the Atomic Energy Act (uranium or thorium tailings and waste))~~) WAC 246-250-010 (3)(b), (c), and (d).

**WSR 10-16-110**  
**PROPOSED RULES**  
**DEPARTMENT OF HEALTH**

[Filed August 2, 2010, 4:21 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 09-17-054.

Title of Rule and Other Identifying Information: WAC 246-314-010 Definitions and 246-314-990 Construction review fees, amending to revise and update the construction review services (CRS) standards.

Hearing Location(s): Department of Health, Point Plaza East, Room 152 and 153, 310 Israel Road S.E., Tumwater, WA 98501, on September 13, 2010, at 9:30 a.m.

Date of Intended Adoption: September 27, 2010.

Submit Written Comments to: John Hilger, P.O. Box 47868, Olympia, WA 98604-7868 [98504-7868], web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-2901, by September 13, 2010.

Assistance for Persons with Disabilities: Contact John Hilger by September 9, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is proposing amendments to chapter 246-314 WAC that will (1) identify and define ambulatory surgical facilities as a new facility type; and (2) clarify the plan review process. These updates will result in program consistencies and reflect current practice.

Reasons Supporting Proposal: The proposed rule amendments update and clarify the construction review services plan review process.

Statutory Authority for Adoption: Chapter 43.70 RCW.

Statute Being Implemented: Chapter 43.70 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Chad Beebe, 310 Israel Road S.E., Tumwater, WA, (360) 236-2948; and Enforcement: Steve Saxe, 310 Israel Road S.E., Tumwater, WA, (360) 236-2902.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule is exempt from a small business economic impact statement (SBEIS). Under RCW 19.85.025(3), the requirements for an SBEIS does not apply to rules described under RCW 34.05.310(4), this proposed rule adjusts fees pursuant to legislative standards, and corrects typographical errors, clarifying the rule without changing its effect.

A cost-benefit analysis is not required under RCW 34.05.328. The agency did not complete a cost benefit analysis under RCW 34.05.328. RCW 34.05.328 (5)(b)(iv) exempts rules that only correct typographical errors, make address or name changes or clarify the language of a rule without changing its effect.

July 30, 2010  
 Mary C. Selecky  
 Secretary

AMENDATORY SECTION (Amending WSR 06-16-118, filed 8/1/06, effective 9/1/06)

**WAC 246-314-010 Definitions.** ~~((For the purpose of this chapter the following words and phrases will have the following meanings))~~ The definitions in this section apply throughout this chapter unless the context clearly indicates otherwise:

(1) "Certified" means facilities that must be certified to participate in medicare or medicaid programs and meet physical environment minimum standards as required in the Code of Federal Regulations.

(2) "Change of approved use only" means a change in the function of a room that does not alter the physical elements.

(3) ~~((Interior))~~ Finishes ~~((means))~~ includes, but is not limited to, products such as carpet, vinyl wall covering, wall paper, exterior siding, landscaping, or paneling applied to an existing surface as the exposed surface.

(4) "Licensed" means facilities licensed from the state department of health (DOH) or state department of social and health services (DSHS) that must obtain approval from construction review services before licensure activity.

(5) "Permit" means a recommendation to the licensing or certifying authority from construction review services indicating that a facility meets the physical environment rules and the plan review process is complete.

(6) "Program" means the Washington state department of health, construction review services.

(7) "Project" means a change to a facility including new construction, replacement, alterations, additions, expansions, conversions, change of approved use, improvements, remodeling, renovating, and upgrading of the following types of facilities:

(a) "Ambulatory surgery center" defined as a facility that is required to be certified for participation in medicare or medicaid or ambulatory surgical facilities licensed under chapters 70.230 RCW and 246-330 WAC;

(b) "Birthing centers" (formerly maternity homes) and "childbirth centers" licensed under chapters 18.46 RCW and 246-329 WAC;

(c) "Boarding homes" licensed under chapters 18.20 RCW and 388-78A WAC;

~~((e))~~ (d) "Correctional facilities" as defined under RCW 43.70.130(8);

~~((f))~~ (e) "Hospice care center" licensed under chapters 70.127 RCW and 246-335 WAC;

~~((g))~~ (f) "Hospitals" licensed under chapters 70.41 RCW and 246-320 WAC;

~~((h))~~ (g) "Maternity homes" and "childbirth centers" licensed under chapters 18.46 RCW and 246-329 WAC;

~~((i))~~ (h) "Migrant worker housing" licensed under chapter 246-359 WAC. Plan review fees for migrant worker housing are set in chapters 246-358, 246-359, and 246-361 WAC;

~~((j))~~ (i) "Nursing homes" licensed under chapters 18.51 RCW and 388-97 WAC;

~~((k))~~ (j) "Private (alcoholism) alcohol and chemical dependency hospitals" licensed under chapters 71.12 RCW and 246-324 WAC;

~~((l))~~ (k) "Private psychiatric and alcoholism hospitals" licensed under chapters 71.12 RCW and 246-322 WAC;

~~((and~~

~~(k))~~ (j) "Residential treatment facilities" licensed under chapters 71.12 RCW and 246-337 WAC; and

(k) "Temporary worker housing" licensed under chapters 70.114A RCW and 246-358 WAC.

(8) "Project cost" means all costs directly associated with the project, initially estimated and corrected by certification to the date of completion of the project and including all fixed and installed clinical equipment in the project and contractor supervision, inspection, and overhead. This cost does not include:

- (a) Taxes;
- (b) Architectural or engineering fees; and
- (c) Land acquisition fees.

(9) "Project sponsor" means the person, persons or organization, planning and contracting for the design and construction of facilities, generally the owner or the owner's representative.

(10) "Technical assistance" means assistance provided by the program to facilities either at the program offices or at the project location including:

- (a) Information on the laws, rules and compliance methods and technologies applicable to the regulations;
- (b) Information on methods to avoid compliance problems;
- (c) Assistance in applying for permits, licensure or certification;
- (d) Information on the mission, goals, and objectives of the program; and

(e) Assistance to parties constructing projects not required to be licensed or certified and voluntarily wish to comply with rules or guidelines in the interest of safety or best practices.

(11) "Value of existing construction" means the value of an existing building or portion thereof at the time of project submission, based on the current market value of the structure as documented by the project sponsor, or, as determined by assigning a cost per square foot value.

AMENDATORY SECTION (Amending WSR 06-16-118, filed 8/1/06, effective 9/1/06)

**WAC 246-314-990 Construction review fees.** (1)

Upon prior approval by the program the project sponsor may exclude from the "project cost" the cost for fixed or installed technologically advanced clinical equipment such as but not limited to: Lithotripters, CT scans, linear accelerators, and MRIs.

(2) ~~((The program shall charge a flat fee for the review of the following projects:~~

~~(a) Installation of interior finishes only, one hundred twenty dollars;~~

~~(b) Change of approved use only, one hundred twenty dollars;~~

~~(c) The first submission for review and approval of the site installation of a mobile unit, four hundred seventy dollars. Each additional submission of the same project, two hundred eighty five dollars;~~

~~(d) The first submission for review and approval of the equipment supplier of a mobile unit, four hundred seventy~~

~~dollars. Each additional submission of the same project, two hundred eighty five dollars;~~

~~(e) Each eight staff hours or fraction thereof for technical assistance, four hundred ten dollars. For technical assistance requiring travel, the program may increase the fee to include travel.))~~ **Project fee table.** Except as provided in subsection (4) and (5) of this section, the following fees will be charged for project review based on the cost of the project:

<u>PROJECT FEE TABLE</u>		
	<u>Project Cost</u>	<u>Project Review Fee</u>
	<u>\$ 0 to \$ 999</u>	<u>\$ 120</u>
	<u>1,000 to 1,999</u>	<u>250</u>
	<u>2,000 to 2,999</u>	<u>325</u>
	<u>3,000 to 4,999</u>	<u>410</u>
	<u>5,000 to 9,999</u>	<u>530</u>
	<u>10,000 to 19,999</u>	<u>665</u>
	<u>20,000 to 29,999</u>	<u>820</u>
	<u>30,000 to 39,999</u>	<u>975</u>
	<u>40,000 to 49,999</u>	<u>1,125</u>
	<u>50,000 to 64,999</u>	<u>1,325</u>
	<u>65,000 to 79,999</u>	<u>1,535</u>
	<u>80,000 to 99,999</u>	<u>1,845</u>
	<u>100,000 to 124,999</u>	<u>2,200</u>
	<u>125,000 to 149,999</u>	<u>2,550</u>
	<u>150,000 to 199,999</u>	<u>2,970</u>
	<u>200,000 to 249,999</u>	<u>3,325</u>
	<u>250,000 to 324,999</u>	<u>3,650</u>
	<u>325,000 to 449,999</u>	<u>4,100</u>
	<u>450,000 to 574,999</u>	<u>4,600</u>
	<u>575,000 to 699,999</u>	<u>5,200</u>
	<u>700,000 to 849,999</u>	<u>5,825</u>
	<u>850,000 to 999,999</u>	<u>6,550</u>
	<u>1,000,000 to 1,249,999</u>	<u>7,150</u>
	<u>1,250,000 to 2,499,999</u>	<u>7,850</u>
	<u>2,500,000 to 2,999,999</u>	<u>8,550</u>
	<u>3,000,000 to 3,499,999</u>	<u>9,300</u>
	<u>3,500,000 to 4,999,999</u>	<u>10,750</u>
	<u>5,000,000 to 6,999,999</u>	<u>12,200</u>
	<u>7,000,000 to 9,999,999</u>	<u>13,800</u>
	<u>10,000,000 to 14,999,999</u>	<u>15,850</u>
	<u>15,000,000 to 19,999,999</u>	<u>17,850</u>
	<u>20,000,000 to 29,999,999</u>	<u>19,900</u>
	<u>30,000,000 to 39,999,999</u>	<u>23,000</u>
	<u>40,000,000 to 59,999,999</u>	<u>25,600</u>
	<u>60,000,000 and over</u>	<u>28,700</u>

(3) **Existing building conversions.** Building conversion fees will be based on the value of existing construction ~~((and derived from))~~. Fees will be charged for project review based on the project fee ~~((schedule))~~ table in subsection (2) of this section.

(a) The existing construction value is based on the local area cost data.

(b) Current cost data will be made available and posted on the construction review services web site: <http://www.doh.wa.gov/hsqa/fsl/CRS>.

(c) Project sponsors may submit specific cost data that accurately describes the estimate good faith value for the program's consideration.

((CONSTRUCTION FEE TABLE

Project Cost		Project Review Fee
\$	to \$	\$
	0 to 999	120
1,000	to 1,999	250
2,000	to 2,999	325
3,000	to 4,999	410
5,000	to 9,999	530
10,000	to 19,999	665
20,000	to 29,999	820
30,000	to 39,999	975
40,000	to 49,999	1,125
50,000	to 64,999	1,325
65,000	to 79,999	1,535
80,000	to 99,999	1,845
100,000	to 124,999	2,200
125,000	to 149,999	2,550
150,000	to 199,999	2,970
200,000	to 249,999	3,325
250,000	to 324,999	3,650
325,000	to 449,999	4,100
450,000	to 574,999	4,600
575,000	to 699,999	5,200
700,000	to 849,999	5,825
850,000	to 999,999	6,550
1,000,000	to 1,249,999	7,150
1,250,000	to 2,499,999	7,850
2,500,000	to 2,999,999	8,550
3,000,000	to 3,499,999	9,300
3,500,000	to 4,999,999	10,750
5,000,000	to 6,999,999	12,200
7,000,000	to 9,999,999	13,800
10,000,000	to 14,999,999	15,850
15,000,000	to 19,999,999	17,850
20,000,000	to 29,999,999	19,900
30,000,000	to 39,999,999	23,000
40,000,000	to 59,999,999	25,600
60,000,000 and over		28,700)

(4) **Flat fees.** The following projects will receive a discount on project review fees:

(a) Installation of finishes only, one hundred twenty dollars;

(b) Change of approved use only, one hundred twenty dollars;

(c) The first submission for review and approval of the site installation of a mobile unit, four hundred seventy dollars. Each additional submission of the same project, two hundred eighty-five dollars;

(d) The first submission for review and approval of the equipment supplier of a mobile unit, four hundred seventy dollars. Each additional submission of the same project, two hundred eighty-five dollars;

(e) Each eight staff hours or fraction thereof for technical assistance, four hundred ten dollars. For technical assistance requiring travel, the program may increase the fee to include travel expenses;

(f) Special projects as determined by the program that requires minimal or highly repetitive review, four hundred ten dollars for every review/inspection after the initial review;

(g) Plan review and inspection for the on-site installation of the foundation, and hook-ups including, but not limited to, potable water, sewage disposal systems, or gas connections for factory assembled structures, two hundred fifty dollars per site visit regardless of the number of sites installed and completed at the time of inspection;

(h) On-site inspection and plan review for foundation pad for temporary structures including, but not limited to, tents and RVs, one hundred and twenty dollars per site visit regardless of the number of pads installed and completed at the time of inspection.

(5) **Fee reductions.** The program may decrease the project review fees, when:

(a) The project sponsor requests a reduction in the fee according to subsection (1) of this section;

(b) The project is prepared by a state licensed architect or engineer when architectural or engineering services are not required by rule. ~~((In this case))~~ The project may qualify for a reduction of up to fifteen percent;

(c) A facility is converted from another occupancy as defined by the state building code; a facility is converted from one license to another; or, a facility that is currently unlicensed, but was previously licensed through the DOH or DSHS, wishes to be reviewed for ~~((licensure, then the construction review fee reduction of up to fifty percent from that shown on the construction review fee schedule shall be allowed))~~ relicensure. The project may qualify for a reduction of up to fifty percent. The amount of fee reduction will be determined by the estimated amount of systems review required to ensure that the rules have been met(=);

~~((=))~~ (6) Total fee reductions may not exceed seventy percent of the original estimated project review fee.

~~((=))~~ (7) **Refunds.** The program shall refund fees paid when requested by the applicant as follows:

(a) The final attested project cost ~~((as shown on the project completion card))~~ is less than the project ~~((cost shown on the application))~~ estimated on the application. Fees paid may be refunded by the program according to the project fee table in subsection (2) of this section.

(b) If a project is canceled after an application and fee has been received but no plan review or technical assistance

has been performed by the program, (~~(three-fourths)~~) seventy-five percent of the fees paid(~~(:)~~).

(c) If a project is canceled after an application and fee has been received and plan review or technical assistance has been performed by the department, (~~(one-half)~~) fifty percent of the fees paid(~~(:)~~).

(~~(d)~~) (8) No fees paid by the applicant will be refunded after project cancellation if any of the following applies:

(~~(i)~~) (a) More than two on-site visits, conferences, or plan reviews for any purpose have been performed by the program;

(~~(ii)~~) (b) One year has elapsed since an application and fee is received by the program, but no permit is issued because applicant failed to complete requirements for permit, and the applicant has not pursued the project in good faith;

(~~(iii)~~) (c) The amount to be refunded as calculated by subsection (7)(a), (b), or (c) of this ((subsection)) section is one hundred twenty dollars or less;

(~~(iv)~~) (d) Approval or authorization to begin construction or a permit has been (~~(given)~~) issued or construction has (~~(commenced)~~) begun prior to a request from the applicant to cancel the project; or

(~~(v)~~) (e) A written request has not been received to cancel the project.

an active license in another state with substantially equivalent standards, has completed similar certification.

Reasons Supporting Proposal: RCW 18.53.010 requires that all optometrists in Washington state provide evidence of certification to use oral drugs and epinephrine by injection for anaphylactic shock by January 1, 2011. The purpose of this rule is to allow consideration of practice at substantially equivalent standards in other states as meeting the certification requirements for optometrists currently licensed in Washington.

Statutory Authority for Adoption: RCW 18.54.070(2) and 18.53.010.

Statute Being Implemented: RCW 18.53.010.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, board of optometry, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Judy Haenke, Program Manager, 310 Israel Road S.E., Tumwater, WA 98501, (360) 236-4947.

No small business economic impact statement has been prepared under chapter 19.85 RCW. Under RCW 19.85.025 and 34.05.310 (4)(g)(ii), a small business economic impact statement is not required for proposed rules that adopt, amend, or repeal a filing or related process requirement for applying to an agency for a license or permit.

A cost-benefit analysis is not required under RCW 34.05.328. The agency did not complete a cost-benefit analysis under RCW 34.05.328. RCW 34.05.328 (5)(a) exempts rules that, by definition, are not significant legislative rules. By definition this rule qualifies under RCW 34.05.328 (5)(c) (ii) as an "interpretive rule." A preliminary cost-benefit analysis may be obtained by contacting Judy Haenke, Program Manager, 310 Israel Road S.E., Tumwater, WA 98501, phone (360) 236-4947, fax (360) 236-2901, e-mail judy.haenke@doh.wa.gov.

August 2, 2010

Michael Van Brocklin, OD  
Chair, Board of Optometry

**WSR 10-16-115**  
**PROPOSED RULES**  
**DEPARTMENT OF HEALTH**  
(Board of Optometry)  
[Filed August 2, 2010, 4:57 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-12-055.

Title of Rule and Other Identifying Information: WAC 246-851-570 Certification required for use or prescription of drugs administered orally for diagnostic or therapeutic purposes and 246-851-600 Certification required for administration of epinephrine by injection for treatment of anaphylactic shock.

Hearing Location(s): Department of Health, 20435 72nd South, Second Floor, Conference Room 2, Kent, WA 98032, on September 17, 2010, at 11:00 a.m.

Date of Intended Adoption: September 17, 2010.

Submit Written Comments to: Judy Haenke, P.O. Box 47852, Olympia, WA 98504-7852, web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-2901, by September 16, 2010.

Assistance for Persons with Disabilities: Contact Judy Hanke [Haenke] by September 9, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Effective January 1, 2011, all optometrists licensed in Washington state must be certified to use oral drugs and epinephrine by injection for anaphylactic shock. The proposed rules will recognize that this requirement has been met if a licensed optometrist, with

AMENDATORY SECTION (Amending WSR 04-05-004, filed 2/5/04, effective 3/7/04)

**WAC 246-851-570 Certification required for use or prescription of drugs administered orally for diagnostic or therapeutic purposes.** (1) To qualify for certification to use or prescribe drugs administered orally for diagnostic or therapeutic purposes, a licensed optometrist(~~(s)~~) must provide documentation that he or she:

(a) (~~(Are)~~) Is certified (~~(under RCW 18.53.010 (2)(b))~~) to use or prescribe topical drugs for diagnostic and therapeutic purposes(~~(:~~

~~(b) Have))~~ under WAC 246-851-400 and has successfully completed a minimum of sixteen hours of didactic and eight hours of supervised clinical instruction from an institution of higher learning, accredited by those agencies recognized by the United States Office of Education or the Council on Postsecondary Accreditation; or

(b) Holds a current active optometry license in another state that has licensing standards substantially equivalent to those in Washington state. The licensee's level of licensure must also be substantially equivalent to the licensing standards in Washington state.

(2) The didactic instruction must include a minimum of sixteen hours in the following subject area:

- (a) Basic principles of systemic drug therapy;
  - (b) Side effects, adverse reactions and drug interactions in systemic therapy;
  - (c) Review of oral pharmaceuticals:
    - (i) Prescription writing;
    - (ii) Legal regulations in oral prescription writing;
    - (iii) Systemic antibacterials in primary eye care;
    - (iv) Systemic antivirals in eye care;
    - (v) Systemic antifungal in eye care;
    - (vi) Systemic antihistamines and decongestants and their uses in eye care;
    - (vii) Oral dry eye agents;
    - (viii) Anti-emetics and their use in eye care;
    - (ix) Systemic diuretics and their management of elevated IOP;
    - (x) Systemic epinephrine;
  - (d) Review of systemic medication in ocular pain management:
    - (i) Legal regulations with scheduled medication;
    - (ii) Systemic nonsteroidal anti-inflammatory drugs (NSAIDS);
    - (iii) Systemic noncontrolled analgesics;
    - (iv) Systemic controlled substances;
  - (e) Review of oral medications used for sedation and anti-anxiety properties in eye care:
    - (i) Controlled anti-anxiety/sedative substances;
    - (ii) Legal ramifications of prescribing anti-anxiety drugs;
  - (f) Review of systemic medications used during pregnancy and in pediatric eye care:
    - (i) Legal ramifications in prescribing to this population;
    - (ii) Dosage equivalent with pregnancy and pediatrics;
    - (iii) Medications to avoid with pregnancy and pediatrics;
  - (g) Applied systemic pharmacology:
    - (i) Eyelid and adnexal tissue;
    - (ii) Lacrimal system and peri-orbital sinuses;
    - (iii) Conjunctival and corneal disorders;
    - (iv) Iris and anterior chamber disorders;
    - (v) Posterior segment disorders;
    - (vi) Optic nerve disease;
    - (vii) Peripheral vascular disease and its relationship with ocular disease;
    - (viii) Atherosclerotic disease;
    - (ix) Other/course review.
- (3) The supervised clinical instruction must include at least eight hours in the following subject areas:
- (a) Vital signs;
  - (b) Auscultation;
  - (c) Ear, nose and throat;
  - (d) Screening neurological exam.
  - (4) Written examination to cover required curriculum.

AMENDATORY SECTION (Amending WSR 04-05-004, filed 2/5/04, effective 3/7/04)

**WAC 246-851-600 Certification required for administration of epinephrine by injection for treatment of anaphylactic shock.** (1) To qualify for certification to administer epinephrine by injection for anaphylactic shock, licensed optometrists must provide documentation that he or she:

(a) ~~((Are))~~ Is certified ~~((under RCW 18.53.010 (2)(b)))~~ to use or prescribe topical drugs for diagnostic and therapeutic purposes~~((:~~

~~((b) Have))~~ under WAC 246-851-400 and has successfully completed a minimum of four hours of didactic and supervised clinical instruction from an institution of higher learning, accredited by those agencies recognized by the United States Office of Education or the Council on Postsecondary Accreditation to qualify for certification by the optometry board to administer epinephrine by injection; or

(b) Holds a current active license in another state that has licensing standards substantially equivalent to those in Washington state. The licensee's level of licensure must also be substantially equivalent to the licensing standards in Washington state.

(2) The didactic instruction must include the following subject area:

- (a) Review of urgencies, emergencies and emergency-use agents;
- (b) Ocular urgencies:
  - (i) Thermal burns-direct and photosensitivity-based ultraviolet burn;
  - (ii) Electrical injury;
  - (iii) Cryo-injury and frostbite;
  - (iv) Insect stings and bites;
  - (v) Punctures, perforations, and lacerations;
- (c) General urgencies and emergencies:
  - (i) Anaphylaxis;
  - (ii) Hypoglycemic crisis;
  - (iii) Narcotic overdose.
- (3) The supervised clinical instruction must include the following subject areas:
  - (a) Instrumentation;
  - (b) Informed consent;
  - (c) Preparation (patient and equipment);
  - (d) All routes of injections.
- (4) With the exception of the administration of epinephrine by injection for treatment of anaphylactic shock, no injections or infusions may be administered by an optometrist.

**WSR 10-16-117**

**PROPOSED RULES**

**DEPARTMENT OF HEALTH**

(Nursing Care Quality Assurance Commission)

[Filed August 2, 2010, 5:07 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 08-13-092 and 09-23-081.

Title of Rule and Other Identifying Information: WAC 246-840-201 Continuing competency purpose statement, 246-840-202 Continuing competency definitions, 246-840-203 Components of the continuing competency program, 246-840-204 Continuing competency requirements—Reactivation from expired status, 246-840-205 Continuing competency requirements—Reactivation from inactive status, 246-840-206 Continuing competency audit process and compliance, and 246-840-207 Failure to meet continuing competency requirements. An additional WSR 09-23-081 was filed to open rules for amendment to WAC 246-840-010, 246-840-020, 246-840-111, 246-840-120, and 246-840-130.

Hearing Location(s): Department of Health, 310 Israel Road S.E., Room 152/153, Tumwater, WA 98501, on September 10, 2010, at 9:00 a.m.

Date of Intended Adoption: September 10, 2010.

Submit Written Comments to: Terry J. West, Department of Health, P.O. Box 47864, Olympia, WA 98504, web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-4738, by September 3, 2010.

Assistance for Persons with Disabilities: Contact Terry West by September 3, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The purpose is to establish continuing competency mechanisms under the statutory authority of RCW 18.79.010 and 18.79.110. New rules are proposed covering the purpose; definitions; documentation; components of active practice and continuing education; and technical assistance. Five existing rules are proposed for amendment to include references to the new continuing competency requirements.

Reasons Supporting Proposal: Patients, families, and communities expect safe, competent, and compassionate nursing care. The public expects nurses to practice using safe and competent skills and current knowledge throughout their career. A continuing competency program for nurses promotes patient safety, public protection and enhances nursing practice.

Statutory Authority for Adoption: RCW 18.79.010 and 18.79.110.

Statute Being Implemented: RCW 18.79.010 and 18.79.110.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: The nursing care quality assurance commission has researched this topic for ten years. Numerous public meetings have been held to solicit input and assist with rule writing. The commission researched other states and other professions for the best practices on documenting continuing competency. These proposed rules implement a continuing competency mechanism that promotes patient safety, public protection and enhances nursing practice.

Name of Proponent: Nursing care quality assurance commission, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Terry West, P.O. Box 47864, Olympia, WA 98504, (360) 236-4712.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not impose more than minor costs on affected businesses. A copy of the statement may be obtained by contacting Terry West, P.O. Box 47864, Olympia, WA 98504, phone (360) 236-4712, fax (360) 236-473 [236-4738], e-mail [terry.west@doh.wa.gov](mailto:terry.west@doh.wa.gov).

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Terry West, P.O. Box 47864, Olympia, WA 98504, phone (360) 236-4712, fax (360) 236-4738, e-mail [terry.west@doh.wa.gov](mailto:terry.west@doh.wa.gov).

July 30, 2010

Paula R. Meyer, MSN, RN  
Executive Director

AMENDATORY SECTION (Amending WSR 08-11-019, filed 5/12/08, effective 6/12/08)

**WAC 246-840-010 Definitions.** (1) An "advanced registered nurse practitioner (ARNP)" is a registered nurse who has had formal graduate education and has achieved national specialty certification for the nurse practitioner, nurse anesthetist, or nurse midwife role. A nurse with this preparation may qualify as an ARNP as described in WAC 246-840-300.

(2) "Advanced nursing practice" is the delivery of nursing care by registered nurses who have acquired experience and formal education that prepares them for independent practice.

(3) "Client advocate" means a licensed registered nurse or practical nurse who actively supports client's rights and choices, including the client's right to receive safe, high quality care, and who facilitates the client's ability to exercise those rights and/or choices by providing the client (~~has~~) with adequate information about their care and options.

(4) "Commission" means the Washington state nursing care quality assurance commission.

(5) "Competency" means demonstrated knowledge, skill and ability in the practice of nursing.

(6) "Conditional approval" of a school of nursing is the approval given a school of nursing that has not met the requirements of the law and the rules and regulations of the commission; conditions are specified that must be met within a designated time to rectify the deficiency.

(7) "Delegation" means the licensed practical nurse or registered nurse transfers the performance of selected nursing tasks to competent individuals in selected situations. The licensed practical nurse or registered nurse delegating the task retains the responsibility and accountability for the nursing care of the client. The licensed practical nurse or registered nurse delegating the task supervises the performance of the unlicensed person. Delegation in community and in-home care settings is defined by WAC 246-840-910 through 246-840-970.

(a) Nursing acts delegated by the licensed practical nurse or registered nurse shall:

(i) Be within the area of responsibility of the licensed practical nurse or registered nurse delegating the act;

(ii) Be such that, in the opinion of the licensed practical nurse or registered nurse, it can be properly and safely per-

formed by the unlicensed person without jeopardizing the patient welfare;

(iii) Be acts that a reasonable and prudent licensed practical nurse or registered nurse would find are within the scope of sound nursing judgment.

(b) Nursing acts delegated by the licensed practical nurse or registered nurse shall not require the unlicensed person to exercise nursing judgment nor perform acts which must only be performed by a licensed practical nurse or registered nurse, except in an emergency situation (RCW 18.79.240 (1)(b) and (2)(b)).

(c) When delegating a nursing act to an unlicensed person it is the licensed practical nurse or the registered nurse who shall:

(i) Make an assessment of the patient's nursing care need before delegating the task;

(ii) Instruct the unlicensed person in the delegated task or verify competency to perform or be assured that the person is competent to perform the nursing task as a result of the systems in place by the health care agency;

(iii) Recognize that some nursing interventions require nursing knowledge, judgment, and skill and therefore may not lawfully be delegated to unlicensed persons.

(8) "Faculty" means persons who are responsible for the educational nursing program and who hold faculty appointment in the school.

(9) "Full approval" of a school of nursing is the approval signifying that a nursing program meets the requirements of the law and the rules and regulations of the commission.

(10) "Good cause" as used in WAC 246-840-860 for extension of a nurse technician registration means that the nurse technician has had undue hardship such as difficulty scheduling the examination through no fault of their own, receipt of the examination results after thirty days after the nurse technician's date of graduation, or an unexpected family crisis which caused him or her to delay sitting for the examination. Failure of the examination is not "good cause."

(11) "Good standing" as applied to a nursing technician, means the nursing technician is enrolled in a registered nursing program approved by the commission and is successfully meeting all program requirements.

(12) "Immediately available" as applied to nursing technicians, means that a registered nurse who has agreed to act as supervisor is on the premises and is within audible range and available for immediate response as needed. This may include the use of two-way communication devices which allow conversation between the nursing technician and a registered nurse who has agreed to act as supervisor.

(a) In a hospital setting, a registered nurse who has agreed to act as supervisor is on the same patient care unit as the nursing technician and the patient has been assessed by the registered nurse prior to the delegation of duties to the nursing technician.

(b) In a nursing home setting, a registered nurse who has agreed to act as supervisor is in the same building and on the same floor as the nursing technician and the patient has been assessed by the registered nurse prior to the delegation of duties to the nursing technician.

(13) "Initial approval" of nursing programs is the approval given a new nursing program based on its proposal prior to the graduation of its first class.

(14) "Limited educational authorization" is an authorization to perform clinical training through a commission approved refresher course. This authorization does not permit practice for employment. A limited educational authorization may be issued to:

(a) A person whose Washington state license has been expired or inactive for three years or more and who applies for reinstatement and enrolls in a refresher course; or

(b) An applicant endorsing from another state or territory if the applicant's license from that jurisdiction is on inactive or expired status. The applicant must be enrolled in a refresher course.

(15) "Minimum standards of competency" means the knowledge, skills and abilities that are expected of the beginning practitioner.

(16) "Nontraditional program of nursing" means a school that has a curriculum which does not include a faculty supervised teaching/learning component in clinical settings.

(17) "Nurse administrator" is an individual who meets the qualifications contained in WAC 246-840-555 and who has been designated as the person primarily responsible for the direction of the program in nursing. Titles for this position may include, among others, dean, director, coordinator or chairperson.

(18) "Nursing technician" means a nursing student preparing for registered nurse licensure who is employed in a hospital licensed under chapter 70.41 RCW or a nursing home licensed under chapter 18.51 RCW, and who:

(a) Is currently enrolled in good standing and attending a nursing program approved by the commission and has not graduated; or

(b) Is a graduate of a nursing program approved by the commission who graduated:

(i) Within the past thirty days; or

(ii) Within the past sixty days and has received a determination that there is good cause to continue the registration period.

(c) Approved schools for nursing technicians include the list of registered nursing programs (schools) approved by state boards of nursing as preparation for the NCLEX registered nurse examination, and listed in the NCLEX bulletin as meeting minimum standards. Approved schools do not include nontraditional schools as defined in subsection (16) of this section.

(19) "Philosophy" means the beliefs and principles upon which the curriculum is based.

(20) "Program" means a division or department within a state supported educational institution, or other institution of higher learning charged with the responsibility of preparing persons to qualify for the licensing examination.

(21) "Registered nurse" as used in these rules shall mean a nurse as defined by RCW 18.79.030(1).

(22) "Supervision" of licensed or unlicensed nursing personnel means the provision of guidance and evaluation for the accomplishment of a nursing task or activity with the initial direction of the task or activity; periodic inspection of the

actual act of accomplishing the task or activity; and the authority to require corrective action.

(a) "Direct supervision" means the licensed registered nurse who provides guidance to nursing personnel and evaluation of nursing tasks is on the premises, is quickly and easily available, and has assessed the patient prior to the delegation of the duties.

(b) "Immediate supervision" means the licensed registered nurse who provides guidance to nursing personnel and evaluation of nursing tasks is on the premises, is within audible and visual range of the patient, and has assessed the patient prior to the delegation of duties.

(c) "Indirect supervision" means the licensed registered nurse who provides guidance to nursing personnel and evaluation of nursing tasks is not on the premises but has given either written or oral instructions for the care and treatment of the patient and the patient has been assessed by the registered nurse prior to the delegation of duties.

(23) "Traditional program of nursing" means a program that has a curriculum which includes a faculty supervised teaching/learning component in clinical settings.

AMENDATORY SECTION (Amending WSR 08-11-019, filed 5/12/08, effective 6/12/08)

**WAC 246-840-020 ((Documents)) Credentials issued to nurses in Washington.** The following credentials are issued to nurses in Washington.

(1) Active status license. A license is issued upon completion of all requirements for licensure. The license holder may use the title licensed practical nurse or registered nurse and the use of its abbreviation, LPN or RN. The license allows practice as a licensed practical nurse or registered nurse in the state of Washington. See WAC 246-840-201 through 246-840-207 for continuing competency program requirements.

A student who has graduated from a basic professional nursing course and who is pursuing a baccalaureate degree in nursing, an advanced degree in nursing or an advanced certification in nursing must hold an active Washington RN license before participating in the practice of nursing as required to fulfill the learning objectives in a clinical course.

(2) Inactive status license. A license issued to a person previously holding an active license in this state, is in good standing, and does not practice in Washington state. Refer to chapter 246-12 WAC, Part 4.

(3) Advanced registered nurse practitioner (ARNP) license. An ARNP license may be issued to any person who meets the requirements of the commission as contained in WAC 246-840-300 through 246-840-365. Only persons holding this license have the right to use the title "advanced registered nurse practitioner" or the abbreviation "ARNP" or any title or abbreviation which indicates that the person is entitled to practice at an advanced and specialized role as a nurse practitioner, a nurse midwife, or a nurse anesthetist. The ARNP may engage in the scope allowed for his or her area of national certification as approved by the commission. The license is valid only with a current registered nurse license. The ARNP's scope of practice is defined by national certification standards and approved by the commission.

AMENDATORY SECTION (Amending WSR 98-05-060, filed 2/13/98, effective 3/16/98)

**WAC 246-840-111 Expired license.** (1) If the license has expired for three years or less, the practitioner must meet the requirements of chapter 246-12 WAC, Part 2.

(2) If the license has expired for more than three years and the practitioner has been in active practice in another United States jurisdiction, the practitioner must:

(a) Submit verification of active practice from any other United States jurisdiction;

(b) Meet the requirements of chapter 246-12 WAC, Part 2;

(c) Meet the continuing competency requirements of WAC 246-840-201 through 246-840-207.

(3) If the license has expired for more than three years and the practitioner has not been in active practice in another United States jurisdiction, the practitioner must:

(a) Successfully complete a commission approved refresher course. The practitioner will be issued a limited educational license to enroll in the refresher course. The limited educational license is valid only while working under the direct supervision of a preceptor and is not valid for employment as a licensed practical or registered nurse;

(b) Meet the requirements of chapter 246-12 WAC, Part 2.

AMENDATORY SECTION (Amending WSR 98-05-060, filed 2/13/98, effective 3/16/98)

**WAC 246-840-120 Inactive credential.** (1) A practitioner may obtain an inactive credential. Refer to the requirements of chapter 246-12 WAC, Part 4.

(2) Practitioners with an inactive credential for three years or less who wish to return to active status must meet the requirements of chapter 246-12 WAC, Part 4 and WAC 246-840-204.

(3) Practitioners with an inactive credential for more than three years, who have been in active practice in another United States jurisdiction, and wish to return to active status must:

(a) Submit verification of active practice from any other United States jurisdiction;

(b) Meet the requirements of chapter 246-12 WAC, Part 4;

(c) Meet the requirements of WAC 246-840-201 through 246-840-207.

(4) Practitioners with an inactive credential for more than three years, who have not been in active practice in another United States jurisdiction, and wish to return to active status must:

(a) Successfully complete a commission approved refresher course. The practitioner will be issued a limited educational license to enroll in the refresher course. The limited educational license is valid only while working under the direct supervision of a preceptor and is not valid for employment as a licensed practical or registered nurse;

(b) Meet the requirements of chapter 246-12 WAC, Part 4.

## DOCUMENTING CONTINUING COMPETENCY

### NEW SECTION

**WAC 246-840-201 Continuing competency purpose statement.** Patients, families, and communities expect safe, competent, and compassionate nursing care. These rules establish a continuing competency program for nurses as a mechanism to help keep patients safe and enhance nursing practice.

Continuing competency is the ongoing ability of a nurse to maintain, update and demonstrate sufficient knowledge, skills, judgment, and qualifications necessary to practice safely and ethically in a designated role and setting in accordance with the scope of nursing practice. A nurse achieves continuing competency through active practice, self-assessment and reflection, and continuing nursing education.

### NEW SECTION

**WAC 246-840-202 Continuing competency definitions.** The definitions in this section apply throughout WAC 246-840-201 through 246-840-206 unless the context clearly requires otherwise.

**Active nursing practice** means engagement in paid, unpaid, or volunteer activity performing acts requiring a nursing license as described in RCW 18.79.040. Active nursing practice may include working as a nursing administrator, nursing quality manager, nursing policy officer, public health nurse, parish nurse, home health nurse, nursing educator, nursing consultant, nursing regulator or any practice requiring nursing knowledge and a nursing license.

**Attestation** means the affirmation by signature of the nurse indicating compliance with the standards and terms of the continuing competency requirements.

**Compliance** means adherence to and fulfillment of the requirements of relevant laws and regulations.

**Compliance audit** is a review of documents to determine fulfillment of requirements. A continuing competency compliance audit requires a nurse to submit documents demonstrating five hundred thirty-one hours of active nursing practice, forty-five hours of continuing nursing education.

**Continuing competency** is the ongoing ability of a nurse to maintain, update and demonstrate sufficient knowledge, skills, judgment, and qualifications necessary to practice safely and ethically in a designated role and setting in accordance with the scope of nursing practice. A nurse achieves continuing competency through active practice, self-assessment and reflection, and continuing nursing education.

**Continuing nursing education** refers to systematic professional learning experiences obtained after initial licensure designed to augment the knowledge, skills, and judgment of nurses and enrich nurses' contributions to quality health care and their pursuit of professional career goals. The education hours should relate to the nurse's area of professional practice or areas identified through reflection and self-assessment for professional growth and development. There are various types of continuing education activities. Some involve participant attendance where the pace of the activity is deter-

mined by the provider who plans and schedules the activity. Others are designed for completion by the learner, independently, at the learner's own pace and at a time of the learner's choice. Continuing nursing education hours may be obtained through mentorship, certification, presentations, and specialty certification.

**Inactive practice** means less than five hundred thirty-one hours in a three-year period.

**Nursing practice** means the performance of acts requiring substantial specialized nursing knowledge, judgment, and skills described under RCW 18.79.040, 18.79.050, and 18.79.060. For purposes of the continuing competency requirements, the commission recognizes "nursing practice" as being performance in either a paid or unpaid position requiring a nursing license.

**Review period** is three full licensing renewal cycles. For purposes of a compliance audit, the review period will be the thirty-six months preceding the audit form due date.

**Self-assessment and reflection** means the process of the nurse assessing their active nursing practice to determine strengths and opportunities for new learning. The purpose of this process is for the nurse to assess and reflect on:

- (a) Making patient safety a priority;
- (b) Familiarity with current laws and rules related to nursing practice; and
- (c) Existing knowledge and skills (e.g., infection prevention techniques, open communication, and clinical competency). Nurses complete the self-assessment and reflection process when selecting education and training opportunities in their nursing careers.

**Technical assistance** means help provided by commission members or staff based on the needs of the nurse to comply with rules and regulations.

**Unpaid practice** means providing uncompensated services considered within the scope and domain of the nursing profession. Examples of unpaid practice include: A nurse volunteering time to a church such as a parish nurse or a nurse volunteering nursing services at a community clinic. There is a wide range of opportunities within the nursing profession to participate in unpaid service to the community.

### NEW SECTION

**WAC 246-840-203 Continuing competency requirements—Active status.** (1) Continuing competency applies to registered nurses and practical nurses licensed in Washington state who hold an active license. To renew an active license a registered nurse or a practical nurse must complete the following continuing competency requirements every three years:

- (a) Document compliance with the continuing competency requirements every three years. Beginning January 1, 2014, and every three years thereafter, each nurse must sign an attestation on a form provided by the department of health declaring completion of the required active nursing practice and continuing nursing education hours. Each nurse will have a full three years to meet the requirements. The review period begins on the first birth date after receiving the initial license.

(i) A minimum of five hundred thirty-one hours must be in nursing practice, which may include working as a nursing administrator, nursing quality manager, nursing policy officer, public health nurse, parish nurse, home health nurse, nursing educator, nursing consultant, nursing regulator or any practice requiring nursing knowledge and a nursing license.

(ii) A minimum of forty-five hours must be in continuing education.

(A) Continuing nursing education is defined as systematic professional learning experiences obtained after initial licensure designed to augment the knowledge, skills, and judgment of nurses and enrich nurses' contributions to quality health care and their pursuit of professional career goals.

(B) Continuing education hours should relate to the nurse's area of professional practice or areas identified through reflection and self-assessment for professional growth and development.

(C) Continuing education hours may be obtained through mentorship, certification, presentations, and specialty certification.

(D) Complete continuing nursing education. Each nurse must complete a minimum of forty-five hours of continuing nursing education in the previous thirty-six month period.

(E) There are various types of continuing nurse education activities. Some involve participant attendance where the pace of the activity is determined by the provider who plans and schedules the activity. Others are designed for completion by the learner, independently, at the learner's own pace and at a time of the learner's choice.

(F) One quarter credit equals ten hours. One semester credit equals fifteen hours.

(b) The hours may be accumulated in a single year or spread throughout the three-year period.

(c) Nurses are encouraged to complete the self-assessment and reflection process when selecting education and training opportunities. This assessment and reflection is for the nurses' own professional development and professional competence. The assessment and reflection is not submitted to the commission.

(2) Failure to complete the attestation every three years may be grounds to deny the license or place the license on expired status according to WAC 246-12-010 (11)(b) and chapter 34.05 RCW.

#### NEW SECTION

**WAC 246-840-204 Continuing competency requirements—Reactivation from expired status.** (1) Beginning January, 2014, if a license has expired for three years or less, to return to return to active status a registered nurse or practical nurse must:

(a) Meet the requirements of chapter 246-12 WAC, Part 2.

(b) Complete an attestation provided by the department indicating the intention to complete a minimum of one hundred seventy-seven practice hours of active nursing practice and fifteen hours of nursing continuing education within the first year following reactivation. Nursing practice in any United States jurisdiction may apply towards the requirement for one hundred seventy-seven practice hours.

(2) A nurse renewing an expired license following a period of less than three years will be audited and must provide documentation of completion of the one hundred seventy-seven active nursing practice hours and fifteen continuing education hours when they renew their inactive license.

(3) Failure to complete the practice hours and nursing continuing education hours required in subsection (1)(b) of this section may be cause for a license to remain inactive.

(4) A license will not be renewed without completion of a refresher course as outlined in WAC 246-840-130 if the practice hours and continuing education hours required in subsection (1)(b) of this section are not completed within one year of reactivation.

(5) If a license has expired for more than three years the registered nurse or practical nurse must comply with the requirements of WAC 246-840-111 (2) or (3).

#### NEW SECTION

**WAC 246-840-205 Continuing competency requirements—Reactivation from inactive status.** (1) Beginning January 1, 2014, if a license is inactive for less than three years to return to active status a registered nurse or practical nurse must:

(a) Meet the requirement of chapter 246-976 WAC, Part 4;

(b) Complete an attestation provided by the department indicating the intention to complete a minimum of one hundred seventy-seven practice hours of active nursing practice and fifteen nursing continuing education hours within the first year following reactivation. Nursing practice in any United States jurisdiction may apply towards the requirement for one hundred seventy-seven practice hours; and

(c) Provide documentation of completion of the one hundred seventy-seven practice hours and fifteen continuing education hours when they reactivate their license.

(2) A nurse reactivating an inactive license following a period of less than three years will be audited and must provide documentation of completion of the one hundred seventy-seven active nursing practice hours and fifteen continuing education hours when he or she renews their active license.

(3) A license will not be renewed if a nurse fails to complete the active nursing practice hours and nursing continuing education hours required in subsection (1)(b) of this section.

(4) A nurse who is unable to complete the active nursing practice and nursing continuing education hours within one year of reactivation may not be reactivated again without completion of a refresher course as outlined in WAC 246-840-130.

(5) If a license has been inactive for three years or more the registered nurse or practical nurse must comply with the requirements under RCW 18.79.230 and WAC 246-840-120 (3) or (4).

#### NEW SECTION

**WAC 246-840-206 Continuing competency audit process and compliance.** (1) The commission shall audit a percentage of registered nurses and practical nurses renewing their licenses, including late renewals.

(2) The department will send an audit form to the registered nurse or practical nurse at the address on record with the department.

(3) A registered nurse or practical nurse being audited will have thirty calendar days to complete and submit to the commission the audit form documenting five hundred thirty-one hours of active practice and forty-five hours of continuing nursing education.

(4) To document practice hours a licensed registered nurse or licensed practical nurse may provide:

(a) Verification from employers of hours worked.

(b) Pay stubs showing hours worked or end of year work hours and payment statements.

(c) Verification from an appropriate representative of the institution validating the hours by their signature.

(d) A statement including description of the practice setting, whether they were paid or unpaid, a description of duties and responsibilities and the signature of a supervisor.

(e) A log book documenting active nursing practice and the signature of a primary health care practitioner verifying the hours;

(f) Verification from an appropriate health care provider documenting the number of hours of home care for a friend or family member.

(5) To document continuing nursing education a registered nurse or a licensed practical nurse may provide:

(a) Certificates of satisfactory course completion and statement describing relevance to professional development plan goals;

(b) A current certificate from a nationally recognized certifying body;

(c) Meeting minutes or meeting attendance rosters documenting participation in professional nursing organizations or employer-sponsored committees;

(d) A final transcript or transcript of classes documenting current progress towards an advanced degree in a field related to nursing practice;

(e) Documentation of completion of a nursing research project as the principal investigator, coinvestigator, or project director. Documentation may include summary of findings, thesis, dissertation, abstract, or granting agency summary;

(f) Publication or submission for publication a health care related article, book chapter, or other scholarly work. Documentation may include a copy of submitted/published article or book chapter and research;

(g) Presentations on a health care or health care system-related topic. Documentation may include a program brochure, agenda, course syllabi or a letter from the offering provider identifying the nurse's participation;

(h) Documentation of independent study or research. Documentation may include a list of activities and time spent on completing these activities.

#### NEW SECTION

**WAC 246-840-207 Failure to meet continuing competency requirements.** (1) A licensed registered nurse or practical nurse must comply with the continuing competency requirements in WAC 246-840-203.

(2) The department will send an audit form requesting documentation of the required continuing competency requirements to the registered nurse or practical nurse being audited at the address on record with the department.

(3) If the department does not receive the required documentation within thirty calendar days of the department's original request for documentation, a second request will be sent by the department to the nurse at the address of record with the department.

(4) If the department does not receive the required documentation within thirty calendar days following the second request, a third request will be sent to the address of record with the department. A nurse may place their license on inactive status as outlined in WAC 246-12-090 if the nurse does not meet the continuing competency requirements.

(5) If the department does not receive the required documentation thirty calendar days following the third letter, the department shall place the license on expired status.

(6) If the nurse's documentation does not match the hours in the attestation, technical assistance will be provided. Technical assistance may include providing information on the web site or at stakeholder meetings, and reviewing materials and offering assistance on the telephone.

(7) If the nurse cannot provide the required documentation, the nurse may place their license on inactive status according to WAC 246-12-090.

(8) If the nurse repeatedly fails to demonstrate continuing competency according to these rules, the nurse may be charged with unprofessional conduct under RCW 18.130.-180, and appropriate disciplinary action will be taken which may include license suspension. License suspension may only occur after a hearing as provided in chapter 34.05 RCW.

(9) If a nurse is unable to provide adequate documentation the department will place the license on expired status thirty calendar days following the third letter.

To be eligible to return to active nursing practice the nurse must provide the required documentation of active nursing practice and continuing nursing education.

A nurse whose license has been placed on expired status must comply with the requirements in WAC 246-12-040 and pay the nonrefundable renewal fee to return to active status.

#### **WSR 10-16-118**

#### **PROPOSED RULES**

#### **DEPARTMENT OF HEALTH**

(Dental Quality Assurance Commission)

[Filed August 2, 2010, 5:12 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 09-15-115.

Title of Rule and Other Identifying Information: WAC 246-817-701 Administration of anesthetics agents for dental procedures and 246-817-722 Defibrillator.

Hearing Location(s): Department of Health, 310 Israel Road S.E., Room 152/153, Tumwater, WA 98501, on September 17, 2010, at 8:00 a.m.

Date of Intended Adoption: September 17, 2010.

Submit Written Comments to: Jennifer Santiago, P.O. Box 47852, Olympia, WA 98504, web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-2901, by September 10, 2010.

Assistance for Persons with Disabilities: Contact Jennifer Santiago by September 10, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules remove the twenty-four hour on-call availability requirement following procedures using local anesthetic and the automated external defibrillator (AED) requirement for dental offices only performing local anesthetic (not sedation). The proposed rule also modifies the current AED requirement for dental offices performing sedation by allowing an office to share access to an AED or defibrillator with another business if it is available and in reach within sixty seconds.

Reasons Supporting Proposal: Proposed rule amendments are based on input from stakeholders, specifically dentists. Rules adopted in January 2009 increased the requirements regarding on-call availability and the placement of AED or defibrillators in dental offices. Dentists demonstrated there was insufficient data to support the requirement for on-call availability and AED's following procedures that used only local anesthetic. Based on professional experience and judgment, the commission approved the proposal for official public comment.

Statutory Authority for Adoption: RCW 18.32.640 and 18.32.0365.

Statute Being Implemented: RCW 18.32.640.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state dental quality assurance commission, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Jennifer Santiago, 310 Israel Road S.E., Tumwater, WA 98501, (360) 236-4893.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule would not impose more than minor costs on businesses in an industry. A copy of the statement may be obtained by contacting Jennifer Santiago, 310 Israel Road S.E., Tumwater, WA 98501, phone (360) 236-4893, fax (360) 236-2901, e-mail [jennifer.santiago@doh.wa.gov](mailto:jennifer.santiago@doh.wa.gov).

A cost-benefit analysis is required under RCW 34.05.328. A preliminary cost-benefit analysis may be obtained by contacting Jennifer Santiago, P.O. Box 47852, Olympia, WA 98504, phone (360) 236-4893, fax (360) 236-2901, e-mail [jennifer.santiago@doh.wa.gov](mailto:jennifer.santiago@doh.wa.gov).

July 30, 2010

Andrew A. Vorono, D.D.S.

Chair

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

**WAC 246-817-701 Administration of anesthetic agents for dental procedures.** The purpose of WAC 246-817-701 through 246-817-790 is to govern the administration

of sedation and general anesthesia by dentists licensed in the state of Washington in settings other than hospitals as defined in WAC 246-320-010 and ambulatory surgical facilities as defined in WAC 246-310-010, pursuant to the DQAC authority in RCW 18.32.640.

(1) The DQAC has determined that anesthesia permitting should be based on the "level" of anesthesia because anesthesia/sedation is a continuum, and the route of administration and drug combinations are both capable of producing a deeper level of sedation/anesthesia than is initially intended. Practitioners intending to produce a given level of sedation should be able to rescue patients who enter a state deeper than initially intended.

(2) All anesthesia providers must provide twenty-four hour, on-call availability following an anesthesia procedure, excluding those procedures using only local anesthetic.

(3) The dental assistant and expanded function dental auxiliary may not administer any general or local anesthetic, including intravenous sedation.

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

**WAC 246-817-722 Defibrillator.** (1) Every dental office in the state of Washington that administers (~~(anesthetic)~~) minimal, moderate, or deep sedation, or general anesthesia, as defined in WAC 246-817-710, must have an (~~(automatic)~~) automated external defibrillator (AED) or defibrillator.

(2) The dentist and staff must (~~(be prepared)~~) have access to ((use this equipment)) the AED or defibrillator in an emergency, and it must be available and in reach within sixty seconds.

(3) A dental office may share a single AED or defibrillator with adjacent businesses if it meets the requirements in this section.

## WSR 10-16-129

### PROPOSED RULES

### DEPARTMENT OF ECOLOGY

[Order 10-07—Filed August 3, 2010, 3:03 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-09-063.

Title of Rule and Other Identifying Information: Chapter 173-18 WAC, Shoreline Management Act—Streams and rivers constituting shorelines of the state; chapter 173-20 WAC, Shoreline Management Act—Lakes constituting shorelines of the state; chapter 173-22 WAC, Adoption of designations of shorelands and wetlands associated with shorelines of the state; chapter 173-26 WAC, State master program approval/amendment procedures and master program guidelines; and chapter 173-27 WAC, Shoreline Management Act permit and enforcement procedures.

Proposed Rule Changes Include: Geoduck aquaculture; limited amendments (noncomprehensive) to shoreline master programs; other housekeeping amendments; related definitions; and other amendments necessary to implement these

changes. Recent legislation affecting chapter 90.58 RCW and the relationship between critical area ordinances and shoreline jurisdictions will be incorporated into the rules.

Hearing Location(s): On Wednesday, September 8, open house 6:30 - 7 p.m., public hearing starts at 7 p.m., at Big Bend Community College, Masto Conference Center, 7662 Chanute Street N.E., Moses Lake; on Monday, September 13, open house 6:00 - 7 p.m., public hearing starts at 7 p.m., at the Everett Station, Weyerhaeuser Room, 3201 Smith Avenue, Everett; on Tuesday, September 14, open house 6:00 - 7 p.m., public hearing starts at 7 p.m., at the Washington Department of Ecology, Headquarters Auditorium, 300 Desmond Drive S.E., Lacey; and on Wednesday, September 15, open house 6:00 - 7 p.m., public hearing starts at 7 p.m., at the Grays Harbor Community College, Bishop Center, 1620 Edward P. Smith Drive, Aberdeen.

Date of Intended Adoption: December 14, 2010.

Submit Written Comments to: Cedar Bouta, Washington Department of Ecology, SEA Program, P.O. Box 47600, Olympia, WA 98504-7600, e-mail ShorelineRule@ecy.wa.gov, fax (360) 407-6902, by October 18, 2010, 5:00 p.m.

Assistance for Persons with Disabilities: Contact Jackie Chandler by one week before hearing, TTY 711 or (877) 833-6341.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: There are three subgroups of rule changes being proposed. First, ecology is directed by RCW 43.21A.681 to adopt, by rule, guidance on siting and operations of geoduck aquaculture into the shoreline master program (SMP) guidelines (chapter 173-26 WAC, Part III). There is a high level of interest and controversy associated with geoduck aquaculture. The legislative intent for rule making is to address some of the controversy surrounding siting and operations. Second, ecology proposes changes to the current WAC 173-26-201 language for limited (noncomprehensive) amendments to local SMPs that will clarify the criteria for limited amendments. And third, other "housekeeping" amendments will ensure the rules are consistent with statutes governing over two hundred sixty towns, cities and counties with the responsibility to update and implement local SMPs. An addendum to the December 2003 SMP guidelines supplemental final environmental impact statement is included. Housekeeping amendments do not require environmental assessment because they are required by statute. A summary of the proposed rule changes and other information may be found at <http://www.ecy.wa.gov/programs/sea/shorelines/smp/rulemaking.html>.

Reasons Supporting Proposal: The 2007 legislature (2SHB 2220; codified as RCW 43.21A.681) directed ecology to revise SMP guidelines for geoduck aquaculture siting and operations. Given RCW 90.58.060 limits amendments to chapter 173-26 WAC, Part III (SMP guidelines) to one update per year, ecology is making changes to bring rules into alignment with current statute and address relationship between limited amendments and current comprehensive updates becoming conducted by over two hundred sixty of Washington's towns, cities and counties.

Statutory Authority for Adoption: RCW 90.58.120 Adoption of rules and 90.58.200 Rules and regulations. RCW 90.58.060 limits amendments to chapter 173-26 WAC,

Part III (SMP guidelines) to one update per year. Authority to address geoduck aquaculture is found in RCW 43.21A.-681.

Statute Being Implemented: Shoreline Management Act, chapter 90.58 RCW and RCW 43.21A.681.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington department of ecology, governmental.

Name of Agency Personnel Responsible for Drafting: Cedar Bouta, Washington Department of Ecology Headquarters, (360) 407-6406; Implementation and Enforcement: Brian Lynn, Washington Department of Ecology Headquarters, (360) 407-6224.

A small business economic impact statement has been prepared under chapter 19.85 RCW.

#### Small Business Economic Impact Statement

**Background:** Ecology is proposing changes to five of the Shoreline Management Act (SMA) rules, including the SMP guidelines (chapter 173-26 WAC, Part III). The SMA (chapter 90.58 RCW) charges ecology with periodically reviewing and amending guidelines for implementing SMA (RCW 90.58.060).

Washington's SMA was passed by the state legislature in 1971 and adopted by voters in 1972. The overarching goal of the act is "to prevent the inherent harm in an uncoordinated and piecemeal development of the state's shorelines." The act applies to all thirty-nine counties and more than two hundred towns and cities that have "shorelines of the state" (RCW 90.58.030(2)) within their boundaries.

There are three basic policy areas to the SMA:

- Shoreline use.
- Environmental protection.
- Public access.

Under the SMA, each city and county with shorelines of the state must prepare and adopt an SMP that is based on state laws and rules but is tailored to the specific geographic, economic and environmental needs of the community. The local SMP is essentially a shoreline-specific combined comprehensive plan, zoning ordinance and development permit system. Most shoreline programs were originally written between 1974 and 1978.

The SMA establishes a balance of authority and partnership between local and state government. Towns, cities, and counties are the primary regulators. Ecology acts primarily in a support and review capacity. Ecology provides technical assistance to local governments and funding in the form of grants. Ecology is also required to review certain kinds of permits for compliance with the law, and must review local SMPs to ensure they also comply.

The most recent version of the SMP guidelines rule was the result of a negotiated settlement agreement between ecology and interested parties such as cities and counties, business associations, environmental organizations, and individuals. The outcome was the 2004 version of the rule.

**Reason for this Rule Proposal:** There are three groups of proposed changes:

1. Changes to SMP guidelines to address commercial geoduck agriculture [aquaculture] siting and operations as instructed by HB [2SHB] 2220 (RCW 43.21A.681).

2. Changes to WAC 173-26-201 as to when and why limited (noncomprehensive) amendments to local SMPs will be allowed.

3. Housekeeping amendments to better align the rules with changes in statute.

Of these, only the first will impact small businesses. Under the current rule, commercial geoduck aquaculture is treated as all other aquaculture. Geoducks are not discussed in the current rule. Because of this, jurisdictions have little guidance on how to reconcile conflicts among shoreline uses or mitigate environmental impacts. Accordingly, there is currently a wide range of treatment across jurisdictions. This includes requiring a conditional use permit (CUP) in some jurisdictions. The specific requirements for a CUP also differ across jurisdictions.

### Analysis of Compliance Costs for Washington Businesses

**Affected Industries:** The proposed changes to the SMP guidelines are mostly directed at rules local governments must follow when developing and revising local shoreline programs. As the term is defined by RCW 19.85.020, no "business" is required to comply with any direct requirement of these guidelines. The guidelines are directed at local governments who are reviewing the condition of their shorelines and who adopt SMPs to be consistent with state law. Accordingly, the guidelines do not directly regulate development and use of the shorelines; the policies and regulations of the local governments are what directly regulate development and use of the shorelines. The guidelines provide minimum standards for the local SMP and therefore have an indirect regulatory effect, which this small business economic impact statement (SBEIS) will evaluate.

For the current analysis, the industry identified as being affected by the proposed rule changes is the commercial geoduck industry. Unfortunately, this industry is highly regional and falls under the umbrella of generic shellfish farming (NAICS code 112512). For this reason, the small sample of current Washington state geoduck growers is used for the current analysis. This sample represents all of the existing commercial geoduck operations in Washington state. Each must have a Nationwide 48 permit administered by the Army Corps of Engineers.

**Costs of Compliance:** The costs of acquiring a conditional use permit vary across jurisdictions. Some jurisdictions require additional permitting for some projects, including, but not limited to, SEPA, variances, and shoreline substantial development permit.

Beyond the actual cost of the CUP, meeting the minimum requirements of the permit represents additional costs for the applicant<sup>1</sup>. These requirements include:

1. Prohibiting or limiting the practice of placing tanks or pools or other impervious materials directly on the intertidal sediments.

2. Prohibiting or limiting the use of trucks, tractors, forklifts, and other motorized equipment below the ordinary high water mark and requiring that such equipment, when autho-

rized, use a single identified lane to cross the upper intertidal to minimize impacts.

3. Limiting on-site activities during specific periods to minimize impacts on fish and wildlife.

4. Limiting alterations to the natural condition of the site, including removal of vegetation or rocks, regrading of the natural slope and sediments or redirecting freshwater flows.

5. Limiting the area of the site that can be planted or harvested at one time, to limit the areal extent of impacts.

6. Limiting the portion of a site that can be covered by predator exclusion devices at any one time.

7. Requiring compliance with the Washington department of fish and wildlife shellfish transfer permitting system to minimize the risk of transferring or introducing parasites and disease into areas where they currently do not exist.

8. Requiring installation of property corner markers that are visible at low tide.

9. Requiring buffers between geoduck operations and sensitive habitat features like critical saltwater habitats.

10. Requiring measures to minimize impacts to fish and wildlife.

11. Requiring the use of predator exclusion devices with minimal adverse ecological effects and requiring that they be removed as soon as they are no longer needed for predator exclusion.

12. Requiring the use of the best available methods to minimize turbid runoff from the water jets used to harvest geoducks.

13. Establishing limits on the number of barges or vessels that can be moored or beached at the site as well as duration limits.

14. Requiring measures to minimize impacts to navigation, including recreational uses of the water over the site at high tide.

15. Requiring good housekeeping practices at geoduck aquaculture sites, including removing equipment, tools, extra materials and all wastes at the end of each working day.<sup>2</sup>

### Quantification of Costs and Ratios

**Costs:** Currently, requirements relating to commercial geoduck aquaculture differ significantly across jurisdictions. Many jurisdictions already require CUPs and some subset of the fifteen proposed permit requirements discussed above. Therefore, the true impact of the proposed changes could range from no impact (the requirements are already in place) to full impact (currently there is no requirement for a CUP). For the sake of the current analysis, full impact was assumed<sup>3</sup>.

As stated above, the costs of acquiring a conditional use permit vary across jurisdictions. These costs can range up to \$10,000<sup>4</sup>, but average roughly \$3,500.

Beyond the actual cost of the CUP, meeting the fifteen minimum requirements listed above represent additional potential costs for the applicant. Nonquantifiable costs include requirements 1, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, and 15. While requirement 2 would appear to represent a potential cost savings to the applicant by minimizing its construction costs, current practice often shows use of multiple lanes and accesses to a site. This indicates that the growers yield a net benefit from the additional access. Therefore, require-

ment 2 would yield the potential for net costs for the grower, though it is also nonquantifiable. Though requirement 8 would represent a cost for the grower, this cost is negligible.

The proposed rule changes require that buffers come out of the commercial geoduck aquaculture as opposed to critical saltwater habitats. This effectively decreases the amount of land available for planting of stock, resulting in decreased harvest and revenue generated. The extent of buffers in requirement 9 is left to the discretion of the individual jurisdictions and will be based on site-specific conditions. Not all sites will be adjacent to critical saltwater habitat and will require buffers. Therefore, a conservative estimate is done using a range of five to ten feet, and buffers on two or four sides of the commercial geoduck aquaculture.

Using the assumptions of growers planting an annual block of tubes comprised of one hundred rows of two hundred tubes yields the following costs for meeting the requirement for buffers<sup>5</sup>:

Table 1: Costs of Buffers per Block Planting by Buffer Size

Buffer	Cost of Buffer	Planted Area (Square Feet)
2-sided 5'	\$ 20,012	9,750
2-sided 10'	\$ 40,023	9,500
4-sided 5'	\$ 59,034	9,263
4-sided 10'	\$ 116,067	8,550

Because the harvest takes place in the future<sup>6</sup> these impacts have been discounted<sup>7</sup>.

Therefore, the total costs for meeting the proposed changes depend on the buffer used by the local jurisdiction and are summarized in Table 2.

Table 4: Compliance Costs per Employee by Business Type and Buffer Type

Buffer	(1) Small Business Compliance Cost (\$ per employee)	(2) Large Business Compliance Cost (\$ per employee)	Ratio (1)/(2)
2-sided 5'	\$ 2,351	\$ 169.15	13.9
2-sided 10'	\$ 4,352	\$ 313.12	13.9
4-sided 5'	\$ 6,253	\$ 449.89	13.9
4-sided 10'	\$ 11,957	\$ 860.20	13.9

As can be noted in the table, impacts, as measured by \$/employee tend to be disproportionately borne by small business. The ratios are consistent across buffer type, and represent the ratio of the average number of employees for small and large business, as should be expected because the costs for compliance do not differ by business size.

**Actions Taken to Reduce the Impact of the Rule on Small Business**

Ecology took a number of actions in the proposed rule to reduce the disproportionate impacts on small businesses. Some actions benefit both small and large businesses. The following measures have been retained from the existing rule:

Table 2: Aggregate Costs for Compliance by Buffer Size

Buffer	Total Cost
2-sided 5'	\$ 23,512
2-sided 10'	\$ 43,523
4-sided 5'	\$ 62,534
4-sided 10'	\$ 119,567

Because geoduck growing falls under shellfish farming, state-wide totals for the industry are unavailable. Therefore, for the current analysis, data for current growing permits was used to determine the size of businesses<sup>8</sup>. As geoduck growing is done in short bursts of activity followed by significant periods of downtime while they grow, part-time employment was assumed to represent 0.1 FTE each. In the geoduck growing industry, there are two large businesses and twenty small businesses. Table 3 illustrates the demographics of the industry in Washington.

Table 3: Size in Washington's Geoduck Growing Industry

Size of Business	Number of Businesses	Average Employment per Business
Large	2	139
Small	22	10

**Ratios of Impacts:** Using the information detailed above, it is possible to determine the cost per employee for large and small business. This result will depend on the type of buffer employed in the jurisdictional requirements. Once these costs are determined, it is possible to find the ratio of compliance costs for small and large business. Table 4 shows the results of this analysis.

- A requirement that all SMPs comply with all constitutional and statutory limitations on the regulation of private property.
- Guideline language that allows for flexibility in SMP development and mitigation that allows for taking site-specific conditions into consideration and for a wide variety of options to meet requirements.
- Promotion of alternative approaches to shoreline development that will mitigate the impacts of SMP guideline requirements on some firms.

Ecology has also included new mitigation actions which include the following:

- Consideration of the economic impact of permit fees on small businesses, especially those that have several small, noncontiguous parcels (less than one acre) that makes up their business. The proposed rule changes

provide local governments a way to permit noncontiguous parcels under one permit, as long as those parcels are reasonably close geographically. Requiring such proximity allows for a reasonable review of the environmental impacts, including cumulative impacts on embayments, coves, etc.

- Reducing the paperwork burden on growers, especially small businesses. Ecology added language that encourages local governments to allow submittal of federal or state permit applications in partial fulfillment of local permit application requirements.
- Requiring local governments to allow harvesting of plantings in response to market factors rather a set permit expiration date. Businesses will be able to harvest when they can receive the best return on their investment.
- Requiring local governments to create SMP policies and regulations that protect water quality for shellfish beds, thus ensuring the commercial viability of existing beds.

### The Involvement of Small Business in the Development of the Proposed Rule Amendments

The 2007 legislature passed 2SHB 2220 relating to shellfish aquaculture. The bill directed ecology to integrate geoduck aquaculture siting and operations guidance into SMP guidelines (chapter 173-26 WAC, Parts III and IV), and convene a shellfish regulatory advisory committee (SARC) to advise ecology on rule language. The fourteen committee members represent the:

- Shellfish industry.
- Environmental community.
- Shoreline property owners.
- Four state agencies (ecology, fish and wildlife, agriculture, and natural resources).
- Tribal governments.

The members of the Pacific Coast Shellfish Growers Association participated on the committee, and represented both large and small business interests. (Appendix 1: SARC Roster).

The SARC first met in July 2007 and submitted a recommendations report to the legislature in January 2009. Ecology developed two discussion drafts of the proposed rule changes based on the report and current knowledge related to geoduck permitting and research. Ecology solicited input from:

- SARC.
- Affected local governments.
- Signatories to the 2002 negotiated settlement agreement including various business.
- Environmental, shoreline property, and local government interests.
- Northwest Indian Fisheries Commission and individual tribes.
- Shellfish industries not represented on the SARC.
- Members of the SARC listserv representing both large and small business interests.

Ecology provided a web site and notices with background information on the rule update and preliminary rule text, and requested comments and concerns. These distributions occurred in January and May 2010. The SARC met in June 2010 to discuss the draft rule language in detail.

Ecology's shorelands and environmental [environmental] assistance (SEA) program senior policy and legislative lead, and project staff also discussed the proposed rule changes with individual members of the SARC via e-mail, phone, and in-person meetings, and gave two presentations to local government planners updating shoreline policies and regulations.

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**Appendices**

**Appendix 1 - SARC Roster**

<b>Shellfish Aquaculture Regulatory Committee</b> <i>Updated May 31, 2010</i>		
<b>Member represents:</b>	<b>Committee Members</b>	<b>Alternate/Staff Contact</b>
County located on the Puget Sound	<b>Dave Risvold</b> Pierce County	<b>Mike Erkkinen</b> Pierce County
County located on the Pacific Ocean	<b>Bryan Harrison</b> Pacific County	<b>None</b>
Owner or operator of an aquatic farm in Puget Sound	<b>Diane Cooper</b> Taylor Shellfish Farms	<b>Peter Downey</b> Discovery Bay Shellfish
Owner or operator of an aquatic farm in state waters other than the Puget Sound	<b>Nick Jambor</b> Ekone Oyster Co.	<b>David Hollingsworth Markham</b> Oyster Inc.
Organization representing the environmental community	<b>Krystal Kyer</b> Tahoma Audubon	<b>Miranda Wecker</b> Willapa Hills Audubon
Organization representing the environmental community	<b>Bruce Wishart</b> People for Puget Sound	<b>Dave Peeler</b> People for Puget Sound
Shoreline property owner who does not have a commercial geoduck operation on his or her property	<b>Patrick Townsend</b> Olympia	<b>Laura Hendricks</b> Gig Harbor
Shoreline property owner with a commercial geoduck operation on his or her property	<b>Ward Willits</b> Olympia	<b>None</b>
Department of Ecology	<b>Sally Toteff</b> SWRO	<b>Jeannie Summerhays</b> NWRO
Department of Fish and Wildlife	<b>Rich Childers</b>	<b>Bob Sizemore</b>

Department of Agriculture	<b>Eric Hurlburt</b>	<b>Lee Faulconer</b>
Department of Natural Resources	<b>Blain Reeves</b>	<b>Brad Pruitt</b>
Tribal government within the Puget Sound drainage	<b>Andy Whitener</b> Squaxin Island Tribe	<b>Jeff Dickison</b> Squaxin Island Tribe
Tribal government	<b>Russ Svec</b> Makah Tribe	<b>Yongwen Gao</b> Makah Tribe

<b>Other Interested Agencies</b>	<b>Representative</b>	<b>Alternate(s)</b>
Department of Health	<b>Rick Porso</b>	<b>Cathy Barker and Maryanne Guichard</b>
Puget Sound Partnership	<b>Duane Fagergren</b>	<b>None</b>
Corps of Engineers	<b>Pamela Sanguinetti</b>	<b>Michael Lamprecht</b>
Washington Conservation Commission	<b>Ron Schultz</b>	<b>None</b>
Northwest Indian Fisheries Commission	<b>Fran Wilshusen</b>	<b>David Fyfe and Tony Forsman</b>

<sup>1</sup> This list represents the minimum requirements that each local jurisdiction must include in a CUP. Jurisdictions have a great deal of latitude and flexibility in any additional requirements they may choose to impose. Overall, jurisdictions must meet the requirement of no net loss to ecological functions.

<sup>2</sup> Numbering included for ease of the current analysis only.

<sup>3</sup> It should be noted that this analysis utilizes an average sized parcel to determine the costs to firms. One way that ecology attempts to mitigate the costs to firms of attaining a CUP is to allow multiple parcels to be brought together under the same CUP. This will decrease the cost per parcel with respect to the initial application fee. Also, for parcels that are smaller than average, the impact of buffers on costs may be relatively more significant. There is no correlation shown between firm size and average parcel size. Additionally, using current permits as a proxy for future permits is valid for overall analysis, but not for predicting specific future permits. Small firms in the current context does not equate to small parcel size, it equates to fewer employees. Combining parcels will save on the cost of the CUP, but could potentially increase the cost of buffers, as they would be applied to more parcels.

<sup>4</sup> In Pierce County, \$3,510 is charged for a shoreline conditional use permit with an additional \$3,750 if a variance is associated and an additional \$3,380 (for project costs up to \$10,000) to \$4,710 (for project costs up to \$1 million) if a shoreline substantial development application is also involved.

<sup>5</sup> The total area without buffers is assumed to be a plot 200' by 400' corresponding to 80,000 sq. ft. or roughly 1.6 acres, which is currently the average parcel size of existing operations. This will support eight plantings of the scale discussed above, yielding a planted area of 10,000 sq. ft. without buffers.

<sup>6</sup> It is assumed that a geoduck will reach its 1.5 lb harvest size six years after planting.

<sup>7</sup> For a full discussion, please see preliminary cost-benefit and least burdensome alternative analysis. Chapters 173-18, 173-20, 173-22, 173-26, and 173-27 WAC.

<sup>8</sup> There are thirty federal permit holders in Washington state. Of these, ecology gained information from twenty-four and used the information from twenty-two. Six firms failed to respond to ecology's request for information. Two responses were not included in the current analysis: One indicated that they were not in production; and one identified itself as a lumber company and did not have information on employment in geoduck growing specifically.

A copy of the statement may be obtained by contacting Cedar Bouta, P.O. Box 47600, Olympia, WA 98504-7600, phone (360) 407-6406, fax (360) 407-6902, e-mail ShorelineRule@ecy.wa.gov.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Cedar Bouta, P.O. Box 47600, Olympia, WA

98504-7600, phone (360) 407-6406, fax (360) 407-6902, e-mail ShorelineRule@ecy.wa.gov.

August 3, 2010  
Polly Zehm  
Deputy Director

AMENDATORY SECTION (Amending Order 73-14, filed 8/27/73)

**WAC 173-18-130 Douglas County. Streams.**

	<u>Quadrangle Name and Size</u>	<u>Legal Description</u>
(1)	Columbia River (Cont.)* 7 1/2 Bridgeport 7 1/2 Brewster 7 1/2 Wells Dam 7 1/2 Azwell 7 1/2 Chelan Falls 7 1/2 Wenatchee 7 1/2 Rock Island 7 1/2 Malala 7 1/2 Rock Island Dam 7 1/2 Chelan 7 1/2 Winesap 7 1/2 Entiat 7 1/2 Orondo 7 1/2 Rocky Reach Dam 7 1/2 West Bar 7 1/2	Beginning (Sec.24, T29N, R25E) below Chief Joseph Dam downstream to (Sec.13, T20N, R22E) excluding any federal lands. The flow exceeds 200 cfs-MAF at Chief Joseph Dam.
(2)	Moses Coulee* (Rattlesnake Creek) (Douglas Creek)	Palisades* 7 1/2 Appledale 7 1/2 Rock Island Dam 7 1/2 From the confluence of Douglas Creek and Moses Coulee (Sec.36, T23N, R23E) downstream to mouth at Columbia River (Sec.33, T21N, R22E). This stream has over 300 sq-miles of drainage area ending at mouth of Douglas Creek.))

Streams and rivers and portions thereof which constitute shorelines of the state within Douglas County are designated in the shoreline master programs of the county and the cities therein.

AMENDATORY SECTION (Amending Order DE 76-14, filed 5/3/76)

**WAC 173-18-430 Yakima County. Streams.**

((Stream Name	Quadrangle Name and Size	Legal-Description
(1) Ahtanum Creek	Tampico 7 1/2 Wiley City 7 1/2 Yakima West 7 1/2 Yakima East 7 1/2	From confluence of North and South Forks of Ahtanum Creek (Sec.17, T12N, R16E) downstream to mouth at Yakima River (Sec.17, T12N, R19E) excluding those reaches within Yakima Indian Reservation.
(2) Ahtanum Creek (N. Fk.)	Foundation Ridge 7 1/2 Pine Mtn. 7 1/2 Tampico 7 1/2	From confluence of Ahtanum Creek North Fork and Ahtanum Creek Middle Fork (Sec.24, T12N, R14E) downstream to mouth at Ahtanum Creek South Fork (Sec.17, T12N, R16E).
(3) Ahtanum Creek (S. Fk.)	Pine Mtn. 7 1/2 Tampico 7 1/2	From confluence of unnamed creek and Ahtanum Creek South Fork (Sec.24, T12N, R15E) downstream to mouth at Ahtanum Creek (left bank only).
(4) Columbia River*	Priest Rapids 15	From the Yakima Firing Center boundary (Sec.3, T13N, R23E) downstream along the Grant-Yakima County line to Benton County line (Sec.12, T13N, R23E). The flow exceeds 200 cfs MAF at Yakima Firing Center boundary.
(5) Cowiche Creek (S. Fork)	Tieton 7 1/2 Naches 7 1/2 Wiley City 7 1/2 Yakima 7 1/2 Selah West 7 1/2	From an approximate point (NW1/4 of NE1/4 Sec.33, T14N, R16E) downstream through Cowiche Creek to mouth at Naches River (Sec.9, T13N, R18E).
(6) Bumping River*	Bumping Lake* 15 Old Seab Mtn. 7 1/2 Cliffdell 7 1/2	From U.S.G.S. gaging station (Sec.23, T16N, R12E) downstream to mouth at Naches and Little Naches rivers (Sec.4, T17N, R14E). Exclude federal lands. The flow is over 200 cfs MAF at U.S.G.S. gaging station.
(7) Little Naches River*	Lester 15 Easton* 15 Cliffdell 7 1/2	From confluence of North Fork and Middle Fork Little Naches River (Sec.36, T19N, R12E) downstream to mouth at Naches River (Sec.4, T17N, R14E). Exclude federal lands. The 200 cfs MAF point begins at confluence with Crow Creek (Sec.30, T18N, R14E).

((Stream Name	Quadrangle Name and Size	Legal-Description
(8) Naches River*	Cliffdell 7 1/2 Manastash Lake 7 1/2 Nile 7 1/2 Milk Canyon 7 1/2 Tieton 7 1/2 Naches 7 1/2 Selah 7 1/2	From confluence of Little Naches River and Bumping River (Sec.4, T17N, R14E) downstream to mouth at Yakima River (Sec.12, T13N, R18E). Exclude federal lands. The flow is 200 cfs MAF at confluence of Little Naches River and Bumping River.
(9) Rattlesnake Creek*	Meeks Table 7 1/2 Nile 7 1/2	From Snoqualmie National Forest boundary (Sec.6, T15N, R15E) downstream to mouth at Naches River (Sec.3, same township). The flow at Snoqualmie N.F. boundary is 200 cfs MAF.
(10) Tieton River*	Weddle Canyon 7 1/2 Tieton* 7 1/2	From west section line (Sec.29, T14N, R15E) downstream to mouth at Naches River (Sec.35, T15N, R16E). Exclude federal lands. The flow is 200 cfs MAF at west section line (Sec.29, T14N, R15E).
(11) Tieton River (S. Fk.)	White Pass 15 Rimroek Lake 7 1/2	From the south section line (Sec.23, T12N, R12E) downstream to mouth at Rimroek Lake (Sec.7, T13N, R14E). Exclude federal lands.
(12) Yakima River (Cont.)*	Pomona* 7 1/2 Selah 7 1/2 Yakima East 7 1/2 Wapato 7 1/2 Toppenish 7 1/2 Granger N.W. 7 1/2 Granger 7 1/2 Sunnyside 7 1/2 Mabton West 7 1/2 Mabton East 7 1/2 Prosser 7 1/2	From the Kittitas County line (Sec.33, T15N, R19E) downstream, excluding all federal lands and Yakima Indian Reservation, to Benton County line (Sec.7, T8N, R24E). The flow exceeds 200 cfs MAF at Kittitas County line.))

Streams and rivers and portions thereof which constitute shorelines of the state within Yakima County are designated in the shoreline master programs of the county and the cities therein.

AMENDATORY SECTION (Amending Order DE 77-17, filed 9/1/77)

**WAC 173-20-200 Lakes coming under purview of chapter 90.58 RCW—Douglas County lakes.**

((Location	Section	Name	Area (Acres)	Use
(1) T25N-R25E	12-J/K	Jameson Lk.	331.7	R
(2) T25N-R25E	12-K/Q	Jameson Pothole	20.6	R
(3) T25N-R27E	31-N/N	Intermittent	22.8	R
(4) T26N-R26E	20	Grimes Lk.	124.0	R
(5) T26N-R27E	33-B/C	Haynes Lk.	50.4	R
(6) T26N-R27E	34-D	Stallard Lk.	64.0	R
(7) T28N-R24E	35-NE1/4	Cornell Lk.	37.2	R
(8) T29N-R27E	17-J/R	Unnamed Lk.	24.2	R

	Location	Section	Name	Area (Acres)	Use
(9)	T29N-R27E	20-A/B	Boot Lk.	36.6	R
(10)	T29N-R28E	22-E/F	Elbow Lk.	25.4	R
(11)	T29N-R29E	2-G/H	Unnamed Lk.	21.8	R
(12)	T29N-R29E	22-H/J	Unnamed Lk.	42.2	R
(13)	T29N-R29E	22-N	Wilson Lk.	34.5	R
(14)	T29N-R30E	7-SW1/4	Smith Lk.	34.1	R
(15)	T30N-R29E	36-A/B	Unnamed Lk.	24.0	R
(16)	T30N-R30E	7-J/K	Black Lk.	36.2	R))

Lakes which constitute shorelines of the state within Douglas County are designated in the shoreline master programs for the county and the cities therein.

AMENDATORY SECTION (Amending Order DE 76-16, filed 5/3/76)

**WAC 173-20-210 Lakes coming under purview of chapter 90.58 RCW—Douglas County lakes of statewide significance.**

	Location	Section	Name	Area (Acres)	Use
(1)	T16N-R23E	16/17	Wanapum	1184.0	Douglas Co.
			Dam-Res.	440.0	Chelan Co.
				6748.0	Grant Co.
				6308.0	Kittitas Co.
			14680.0	Total	
(2)	T21N-R22E	5-H/J	Rock Island	1735.0	Douglas Co.
			Pool	1735.0	Chelan Co.
				3470.0	Total
(3)	T24N-R20E	35	Entiat Lk.	4930.0	Douglas Co.
				4930.0	Chelan Co.
				9860.0	Total
(4)	T28N-R24E	6 & 7	Wells	4850.0	Douglas Co.
			Reservoir	4753.0	Okanogan Co.
				97.0	Chelan Co.
				9700.0	Total
(5)	T29N-R25E	24-S1/2	Rufus Wood Lk.	3900.0	Douglas Co. P,R
(6)	T28N-R29E	22&29	Banks Lk.	24,600.0	Grant Co.
				300.0	Douglas Co.
				24,900.0	Total))

Lakes which constitute shorelines of statewide significance within Douglas County are designated in the shoreline master programs for the county and the cities therein.

AMENDATORY SECTION (Amending Order DE 76-16, filed 5/3/76)

**WAC 173-20-800 Lakes coming under purview of chapter 90.58 RCW—Yakima County lakes.**

	Location	Section	Name	Area (Acres)	Use
(1)	T8N-R23E	12-E	Byron Ponds (Res.)	50.0	R
(2)	T9N-R22E	22-M	Horseshoe Pond	59.0	R
(3)	T9N-R22E	25-F	Morgan Pond	24.6	R
(4)	T9N-R22E	26-B	Giffin Lk.	104.8	R
(5)	T9N-R23E	7-S1/2	Oleys Lk.	35.4	R
(6)	T13N-R19E	7-M	Freeway Lk.	23.2	R
(7)	T14N-R19E	31-L/P	Unnamed Lk.	22.3	R
(8)	T15N-R17E	2-N	Wenas Lk. (Res.)	61.4	R,I

	Location	Section	Name	Area (Acres)	Use
(9)	T13N-R18E	11-S1/2, S1/2	Unnamed Lake	21.4	R
(10)	T13N-R18E	11-S1/2	Unnamed Lake	21.3	R))
		SE1/4			

Lakes which constitute shorelines of the state within Yakima County are designated in the shoreline master programs for the county and the cities therein.

AMENDATORY SECTION (Amending Order DE 72-14, filed 6/30/72)

**WAC 173-20-810 Lakes coming under purview of chapter 90.58 RCW—Yakima County lakes of statewide significance.**

	Location	Section	Name	Area (Acres)	Use
(1)	T13N-R23E	2/3	Priest Rapids	1080.0	Yakima Co.
			Dam (Res.)	4540.0	Grant Co.
				2080.0	Kittitas Co.
				7700.0	Total

Lakes which constitute shorelines of statewide significance within Yakima County are designated in the shoreline master programs for the county and the cities therein.

AMENDATORY SECTION (Amending Order 05-12, filed 1/2/07, effective 2/2/07)

**WAC 173-22-030 Definitions.** As used herein, the following words have the following meanings:

(1) "Associated wetlands" means those wetlands which are in proximity to and either influence or are influenced by tidal waters or a lake or stream subject to the Shoreline Management Act;

(2) ("Atypical situation" as used herein, refers to areas in which one or more parameters (vegetation, soil, and/or hydrology) have been sufficiently altered by recent human activities or natural events to preclude the presence of wetland indicators of the parameter. Recent refers to the period of time since legal jurisdiction of an applicable law or regulation took effect;

(3) "Duration (inundation/soil saturation)" means the length of time during which water stands at or above the soil surface (inundation), or during which the soil is saturated. As used herein, duration refers to a period during the growing season;

(4)) "Flood plain" is synonymous with one hundred-year flood plain and means that land area susceptible to being inundated by stream derived waters with a one percent chance of being equalled or exceeded in any given year. The limit of this area shall be based upon flood ordinance regulation maps or a reasonable method which meets the objectives of the act;

((5)) (3) "Floodway" has the meaning provided in RCW 90.58.030;

((6) "Growing season" means the portion of the year when soil temperatures at 19.7 inches below the soil surface are higher than biologic zero (5°C);

(7) "Hydrophytic vegetation" means the sum total of macrophytic plant life growing in water or on a substrate that

is at least periodically deficient in oxygen as a result of excessive water content. When hydrophytic vegetation comprises a community where indicators of hydric soils and wetland hydrology also occur, the area has wetland vegetation;

~~((8))~~ "Hydric soil" means soil that formed under conditions of saturation, flooding, or ponding long enough during the growing season to develop anaerobic conditions in the upper part;

~~((9))~~ (4) "Lake" means a body of standing water in a depression of land or expanded part of a river, including reservoirs, of twenty acres or greater in total area. A lake is bounded by the ordinary high water mark or, where a stream enters a lake, the extension of the elevation of the lake's ordinary high water mark within the stream;

~~((10))~~ "Long duration" means a period of inundation from a single event that ranges from seven days to one month.

(11)) (5) "Ordinary high water mark" on all lakes, streams, and tidal water is that mark that will be found by examining the bed and banks and ascertaining where the presence and action of waters are so common and usual, and so long continued in all ordinary years, as to mark upon the soil a character distinct from that of the abutting upland, in respect to vegetation as that condition exists on June 1, 1971, as it may naturally change thereafter, or as it may change thereafter in accordance with permits issued by a local government or the department. The following criteria clarify this mark on tidal waters, lakes, and streams:

(a) Tidal waters.

(i) In high energy environments where the action of waves or currents is sufficient to prevent vegetation establishment below mean higher high tide, the ordinary high water mark is coincident with the line of vegetation. Where there is no vegetative cover for less than one hundred feet parallel to the shoreline, the ordinary high water mark is the average tidal elevation of the adjacent lines of vegetation. Where the ordinary high water mark cannot be found, it is the elevation of mean higher high tide;

(ii) In low energy environments where the action of waves and currents is not sufficient to prevent vegetation establishment below mean higher high tide, the ordinary high water mark is coincident with the landward limit of salt tolerant vegetation. "Salt tolerant vegetation" means vegetation which is tolerant of interstitial soil salinities greater than or equal to 0.5 parts per thousand;

(b) Lakes. Where the ordinary high water mark cannot be found, it shall be the line of mean high water;

(c) Streams. Where the ordinary high water mark cannot be found, it shall be the line of mean high water. For braided streams, the ordinary high water mark is found on the banks forming the outer limits of the depression within which the braiding occurs;

~~((12))~~ "Prevalent vegetation" means the plant community or communities that occur in an area during a given period. The prevalent vegetation is characterized by the dominant macrophytic species that comprise the plant community;

(13)) (6) "River delta" means those lands formed as an aggradational feature by stratified clay, silt, sand and gravel deposited at the mouths of streams where they enter a quieter

body of water. The upstream extent of a river delta is that limit where it no longer forms distributary channels;

~~((14))~~ (7) "Shorelands" or "shoreland areas" means those lands extending landward for two hundred feet in all directions as measured on a horizontal plane from the ordinary high water mark; floodways and contiguous flood plain areas landward two hundred feet from such floodways; and all wetlands and river deltas associated with the streams, lakes, and tidal waters which are subject to the provisions of this chapter; the same to be designated as to location by the department of ecology. Any county or city may determine that portion of a one hundred-year flood plain to be included in its master program as long as such portion includes, as a minimum, the floodway and the adjacent land extending landward two hundred feet therefrom;

~~((15))~~ (8) A "stream" is a naturally occurring body of periodic or continuously flowing water where:

(a) The mean annual flow is greater than twenty cubic feet per second; and

(b) The water is contained within a channel. A channel is an open conduit either naturally or artificially created. This definition does not include artificially created irrigation, return flow, or ~~((stockwatering))~~ stock watering channels;

~~((16))~~ (9) "Tidal water" includes marine and estuarine waters bounded by the ordinary high water mark. Where a stream enters the tidal water, the tidal water is bounded by the extension of the elevation of the marine ordinary high water mark within the stream;

~~((17))~~ "Typically adapted" is a term that refers to a species being normally or commonly suited to a given set of environmental conditions, due to some feature of its morphology, physiology, or reproduction;

(18) "Very long duration" means a period of inundation from a single event that is greater than one month.

~~((19))~~ (10) "Wetlands" or "wetland areas" means areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas to mitigate the conversion of wetlands; and

~~((20))~~ (11) The definitions set forth in chapter 90.58 RCW shall also apply as used herein.

AMENDATORY SECTION (Amending Order 96-12, filed 2/5/97, effective 3/8/97)

**WAC 173-22-035 Wetland identification and delineation.** Identification of wetlands and delineation of their boundaries pursuant to this chapter shall be done in accordance with the ~~((criteria and indicators listed in WAC 173-~~

~~22-080. These criteria and indicators along with recommended methods and additional background information can be found in the Washington State Wetland Identification and Delineation Manual, Ecology Publication # 96-94)) approved federal wetland delineation manual and applicable regional supplements. Review copies are available at the department of ecology headquarters and regional offices. Links to the on-line versions are accessible through the department of ecology wetlands web page. Copies of the original published manual are available through the U.S. Army Corps of Engineers National Technical Information Service (phone 703-487-4650).~~

AMENDATORY SECTION (Amending Order 86-06, filed 5/23/86)

**WAC 173-22-0618 Douglas County.** Wetlands subject to the provisions of chapter 90.58 RCW within Douglas County ((designation maps approved June 30, 1972. Revision approved August 28, 1973)) are designated in the Douglas County shoreline master program.

AMENDATORY SECTION (Amending Order 86-06, filed 5/23/86)

**WAC 173-22-0678 Yakima County.** Wetlands subject to the provisions of chapter 90.58 RCW within Yakima County ((designation maps approved June 30, 1972. Revision approved August 28, 1973. Revision approved September 20, 1977. Revision approved July 2, 1980)) are designated in the Yakima County shoreline master program.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 173-22-080 Wetland delineation manual.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-020 Definitions.** In addition to the definitions and concepts set forth in RCW 90.58.030, as amended, and the other implementing rules for the SMA, as used herein, the following words and phrases shall have the following meanings:

(1) "Act" means the Washington State Shoreline Management Act, chapter 90.58 RCW.

(2) "Adoption by rule" means an official action by the department to make a local government shoreline master program effective through rule consistent with the requirements of the Administrative Procedure Act, chapter 34.05 RCW, thereby incorporating the adopted shoreline master program or amendment into the state master program.

(3)(a) "Agricultural activities" means agricultural uses and practices including, but not limited to: Producing, breeding, or increasing agricultural products; rotating and changing agricultural crops; allowing land used for agricultural activities to lie fallow in which it is plowed and tilled but left unseeded; allowing land used for agricultural activities to lie

dormant as a result of adverse agricultural market conditions; allowing land used for agricultural activities to lie dormant because the land is enrolled in a local, state, or federal conservation program, or the land is subject to a conservation easement; conducting agricultural operations; maintaining, repairing, and replacing agricultural equipment; maintaining, repairing, and replacing agricultural facilities, provided that the replacement facility is no closer to the shoreline than the original facility; and maintaining agricultural lands under production or cultivation;

(b) "Agricultural products" includes, but is not limited to, horticultural, viticultural, floricultural, vegetable, fruit, berry, grain, hops, hay, straw, turf, sod, seed, and apiary products; feed or forage for livestock; Christmas trees; hybrid cottonwood and similar hardwood trees grown as crops and harvested within twenty years of planting; and livestock including both the animals themselves and animal products including, but not limited to, meat, upland finfish, poultry and poultry products, and dairy products;

(c) "Agricultural equipment" and "agricultural facilities" includes, but is not limited to:

(i) The following used in agricultural operations: Equipment; machinery; constructed shelters, buildings, and ponds; fences; upland finfish rearing facilities; water diversion, withdrawal, conveyance, and use equipment and facilities including, but not limited to, pumps, pipes, tapes, canals, ditches, and drains;

(ii) Corridors and facilities for transporting personnel, livestock, and equipment to, from, and within agricultural lands;

(iii) Farm residences and associated equipment, lands, and facilities; and

(iv) Roadside stands and on-farm markets for marketing fruit or vegetables; and

(d) "Agricultural land" means those specific land areas on which agricultural activities are conducted as of the date of adoption of a local master program pursuant to these guidelines as evidenced by aerial photography or other documentation. After the effective date of the master program, land converted to agricultural use is subject to compliance with the requirements of the master program.

(4) "Amendment" means a revision, update, addition, deletion, and/or reenactment to an existing shoreline master program.

(5) "Approval" means an official action by a local government legislative body agreeing to submit a proposed shoreline master program or amendments to the department for review and official action pursuant to this chapter; or an official action by the department to make a local government shoreline master program effective, thereby incorporating the approved shoreline master program or amendment into the state master program.

(6) "Aquaculture" means the culture or farming of fish, shellfish, or other aquatic plants and animals. Aquaculture does not include the harvest of wild geoduck associated with the state managed wildstock geoduck fishery.

(7) "Channel migration zone (CMZ)" means the area along a river within which the channel(s) can be reasonably predicted to migrate over time as a result of natural and normally occurring hydrological and related processes when

considered with the characteristics of the river and its surroundings.

~~((7))~~ (8) "Critical areas" as defined under chapter 36.70A RCW includes the following areas and ecosystems:

(a) Wetlands;

(b) Areas with a critical recharging effect on aquifers used for potable waters;

(c) Fish and wildlife habitat conservation areas;

(d) Frequently flooded areas; and

(e) Geologically hazardous areas.

(9) "Critical resource areas" includes critical saltwater and freshwater habitats as used in these guidelines and additional shoreline and shoreland areas identified by local governments that warrant special protection necessary to achieve no net loss of ecological functions.

(10) "Department" means the state department of ecology.

~~((8))~~ (11) "Development regulations" means the controls placed on development or land uses by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, all portions of a shoreline master program other than goals and policies approved or adopted under chapter 90.58 RCW, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto.

~~((9))~~ (12) "Document of record" means the most current shoreline master program officially approved or adopted by rule by the department for a given local government jurisdiction, including any changes resulting from appeals filed pursuant to RCW 90.58.190.

~~((10))~~ (13) "Drift cell," "drift sector," or "littoral cell" means a particular reach of marine shore in which littoral drift may occur without significant interruption and which contains any natural sources of such drift and also accretion shore forms created by such drift.

~~((11))~~ (14) "Ecological functions" or "shoreline functions" means the work performed or role played by the physical, chemical, and biological processes that contribute to the maintenance of the aquatic and terrestrial environments that constitute the shoreline's natural ecosystem. ~~((See WAC 173-26-200 (2)(e)).~~

~~(12))~~ (15) "Ecosystem-wide processes" means the suite of naturally occurring physical and geologic processes of erosion, transport, and deposition; and specific chemical processes that shape landforms within a specific shoreline ecosystem and determine both the types of habitat and the associated ecological functions.

~~((13))~~ (16) "Feasible" means, for the purpose of this chapter, that an action, such as a development project, mitigation, or preservation requirement, meets all of the following conditions:

(a) The action can be accomplished with technologies and methods that have been used in the past in similar circumstances, or studies or tests have demonstrated in similar circumstances that such approaches are currently available and likely to achieve the intended results;

(b) The action provides a reasonable likelihood of achieving its intended purpose; and

(c) The action does not physically preclude achieving the project's primary intended legal use.

In cases where these guidelines require certain actions unless they are infeasible, the burden of proving infeasibility is on the applicant.

In determining an action's infeasibility, the reviewing agency may weigh the action's relative public costs and public benefits, considered in the short- and long-term time frames.

~~((14))~~ (17) "Fill" means the addition of soil, sand, rock, gravel, sediment, earth retaining structure, or other material to an area waterward of the OHWM, in wetlands, or on shorelands in a manner that raises the elevation or creates dry land.

~~((15))~~ (18) "Flood plain" is synonymous with one hundred-year flood plain and means that land area susceptible to inundation with a one percent chance of being equaled or exceeded in any given year. The limit of this area shall be based upon flood ordinance regulation maps or a reasonable method which meets the objectives of the act.

~~((16))~~ (19) "Floodway" means the area, as identified in a master program, that either:

(a) Has been established in federal emergency management agency flood insurance rate maps or floodway maps; or

(b) Consists of those portions of a river valley lying streamward from the outer limits of a watercourse upon which flood waters are carried during periods of flooding that occur with reasonable regularity, although not necessarily annually, said floodway being identified, under normal condition, by changes in surface soil conditions or changes in types or quality of vegetative ground cover condition, topography, or other indicators of flooding that occurs with reasonable regularity, although not necessarily annually. Regardless of the method used to identify the floodway, the floodway shall not include those lands that can reasonably be expected to be protected from flood waters by flood control devices maintained by or maintained under license from the federal government, the state, or a political subdivision of the state.

(20) "Geotechnical report" or "geotechnical analysis" means a scientific study or evaluation conducted by a qualified expert that includes a description of the ground and surface hydrology and geology, the affected land form and its susceptibility to mass wasting, erosion, and other geologic hazards or processes, conclusions and recommendations regarding the effect of the proposed development on geologic conditions, the adequacy of the site to be developed, the impacts of the proposed development, alternative approaches to the proposed development, and measures to mitigate potential site-specific and cumulative geological and hydrological impacts of the proposed development, including the potential adverse impacts to adjacent and down-current properties. Geotechnical reports shall conform to accepted technical standards and must be prepared by qualified professional engineers or geologists who have professional expertise about the regional and local shoreline geology and processes.

~~((17))~~ (21) "Grading" means the movement or redistribution of the soil, sand, rock, gravel, sediment, or other material on a site in a manner that alters the natural contour of the land.

~~((18))~~ (22) "Guidelines" means those standards adopted by the department to implement the policy of chapter 90.58 RCW for regulation of use of the shorelines of the state

prior to adoption of master programs. Such standards shall also provide criteria for local governments and the department in developing and amending master programs.

~~((19))~~ (23) "Local government" means any county, incorporated city or town which contains within its boundaries shorelines of the state subject to chapter 90.58 RCW.

~~((20))~~ (24) "Marine" means pertaining to tidally influenced waters, including oceans, sounds, straits, marine channels, and estuaries, including the Pacific Ocean, Puget Sound, Straits of Georgia and Juan de Fuca, and the bays, estuaries and inlets associated therewith.

~~((21))~~ (25)(a) "Master program" or "shoreline master program" shall mean the comprehensive use plan for a described area, the use regulations together with maps, diagrams, charts, or other descriptive material and text, a statement of desired goals, and standards developed in accordance with the policies enunciated in RCW 90.58.020 and the applicable guidelines. As provided in RCW 36.70A.480, the goals and policies of a shoreline master program for a county or city approved under chapter 90.58 RCW shall be considered an element of the county or city's comprehensive plan. All other portions of the shoreline master program for a county or city adopted under chapter 90.58 RCW, including use regulations, shall be considered a part of the county or city's development regulations.

(b) "Comprehensive master program update" means a master program that fully achieves the procedural and substantive requirements of the department's shoreline master program guidelines effective January 17, 2004, as now or hereafter amended:

(c) "Limited master program amendment" means a master program amendment that addresses specific procedural and/or substantive topics and which is not intended to meet the complete requirements of a comprehensive master program update.

(26) "May" means the action is acceptable, provided it conforms to the provisions of this chapter.

~~((22))~~ (27) "Must" means a mandate; the action is required.

~~((23))~~ (28) "Nonwater-oriented uses" means those uses that are not water-dependent, water-related, or water-enjoyment.

~~((24))~~ (29) "Priority habitat" means a habitat type with unique or significant value to one or more species. An area classified and mapped as priority habitat must have one or more of the following attributes:

- Comparatively high fish or wildlife density;
- Comparatively high fish or wildlife species diversity;
- Fish spawning habitat;
- Important wildlife habitat;
- Important fish or wildlife seasonal range;
- Important fish or wildlife movement corridor;
- Rearing and foraging habitat;
- Important marine mammal haul-out;
- Refugia habitat;
- Limited availability;
- High vulnerability to habitat alteration;
- Unique or dependent species; or
- Shellfish bed.

A priority habitat may be described by a unique vegetation type or by a dominant plant species that is of primary importance to fish and wildlife (such as oak woodlands or eelgrass meadows). A priority habitat may also be described by a successional stage (such as, old growth and mature forests). Alternatively, a priority habitat may consist of a specific habitat element (such as a consolidated marine/estuarine shoreline, talus slopes, caves, snags) of key value to fish and wildlife. A priority habitat may contain priority and/or non-priority fish and wildlife.

~~((25))~~ (30) "Priority species" means species requiring protective measures and/or management guidelines to ensure their persistence at genetically viable population levels. Priority species are those that meet any of the criteria listed below.

(a) Criterion 1. State-listed or state proposed species. State-listed species are those native fish and wildlife species legally designated as endangered (WAC 232-12-014), threatened (WAC 232-12-011), or sensitive (WAC 232-12-011). State proposed species are those fish and wildlife species that will be reviewed by the department of fish and wildlife (POL-M-6001) for possible listing as endangered, threatened, or sensitive according to the process and criteria defined in WAC 232-12-297.

(b) Criterion 2. Vulnerable aggregations. Vulnerable aggregations include those species or groups of animals susceptible to significant population declines, within a specific area or statewide, by virtue of their inclination to congregate. Examples include heron colonies, seabird concentrations, and marine mammal congregations.

(c) Criterion 3. Species of recreational, commercial, and/or tribal importance. Native and nonnative fish, shellfish, and wildlife species of recreational or commercial importance and recognized species used for tribal ceremonial and subsistence purposes that are vulnerable to habitat loss or degradation.

(d) Criterion 4. Species listed under the federal Endangered Species Act as either proposed, threatened, or endangered.

~~((26))~~ (31) "Provisions" means policies, regulations, standards, guideline criteria or environment designations.

~~((27))~~ (32) "Restore," "restoration" or "ecological restoration" means the reestablishment or upgrading of impaired ecological shoreline processes or functions. This may be accomplished through measures including, but not limited to, revegetation, removal of intrusive shoreline structures and removal or treatment of toxic materials. Restoration does not imply a requirement for returning the shoreline area to aboriginal or pre-European settlement conditions.

~~((28))~~ (33) "Shall" means a mandate; the action must be done.

~~((29))~~ (34) "Shoreline areas" and "shoreline jurisdiction" means all "shorelines of the state" and "shorelands" as defined in RCW 90.58.030.

~~((30))~~ "Shoreline master program" or "master program" means the comprehensive use plan for a described area, and the use regulations together with maps, diagrams, charts, or other descriptive material and text, a statement of desired goals, and standards developed in accordance with the policies enunciated in RCW 90.58.020.

As provided in RCW 36.70A.480, the goals and policies of a shoreline master program for a county or city approved under chapter 90.58 RCW shall be considered an element of the county or city's comprehensive plan. All other portions of the shoreline master program for a county or city adopted under chapter 90.58 RCW, including use regulations, shall be considered a part of the county or city's development regulations.

~~((34))~~ (35) "Shoreline modifications" means those actions that modify the physical configuration or qualities of the shoreline area, usually through the construction of a physical element such as a dike, breakwater, pier, weir, dredged basin, fill, bulkhead, or other shoreline structure. They can include other actions, such as clearing, grading, or application of chemicals.

~~((32))~~ (36) "Should" means that the particular action is required unless there is a demonstrated, compelling reason, based on policy of the Shoreline Management Act and this chapter, against taking the action.

~~((33))~~ (37) "Significant vegetation removal" means the removal or alteration of trees, shrubs, and/or ground cover by clearing, grading, cutting, burning, chemical means, or other activity that causes significant ecological impacts to functions provided by such vegetation. The removal of invasive or noxious weeds does not constitute significant vegetation removal. Tree pruning, not including tree topping, where it does not affect ecological functions, does not constitute significant vegetation removal.

~~((34))~~ (38) "State master program" means the cumulative total of all shoreline master programs and amendments thereto approved or adopted by rule by the department.

~~((35))~~ (39) "Substantially degrade" means to cause significant ecological impact.

~~((36))~~ (40) "Water-dependent use" means a use or portion of a use which cannot exist in a location that is not adjacent to the water and which is dependent on the water by reason of the intrinsic nature of its operations.

~~((37))~~ (41) "Water-enjoyment use" means a recreational use or other use that facilitates public access to the shoreline as a primary characteristic of the use; or a use that provides for recreational use or aesthetic enjoyment of the shoreline for a substantial number of people as a general characteristic of the use and which through location, design, and operation ensures the public's ability to enjoy the physical and aesthetic qualities of the shoreline. In order to qualify as a water-enjoyment use, the use must be open to the general public and the shoreline-oriented space within the project must be devoted to the specific aspects of the use that fosters shoreline enjoyment.

~~((38))~~ (42) "Water-oriented use" means a use that is water-dependent, water-related, or water-enjoyment, or a combination of such uses.

~~((39))~~ (43) "Water quality" means the physical characteristics of water within shoreline jurisdiction, including water quantity, hydrological, physical, chemical, aesthetic, recreation-related, and biological characteristics. Where used in this chapter, the term "water quantity" refers only to development and uses regulated under this chapter and affecting water quantity, such as impermeable surfaces and storm water handling practices. Water quantity, for purposes of this

chapter, does not mean the withdrawal of ground water or diversion of surface water pursuant to RCW 90.03.250 through 90.03.340.

~~((40))~~ (44) "Water-related use" means a use or portion of a use which is not intrinsically dependent on a waterfront location but whose economic viability is dependent upon a waterfront location because:

(a) The use has a functional requirement for a waterfront location such as the arrival or shipment of materials by water or the need for large quantities of water; or

(b) The use provides a necessary service supportive of the water-dependent uses and the proximity of the use to its customers makes its services less expensive and/or more convenient.

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-26-060 State master program—~~(Complete)~~ Records maintained by department.** The department shall maintain records for all master programs currently in effect and subsequent amendments thereto. Master program records shall be organized consistent with the state master program register and shall be available for public viewing and inspection during normal business hours at the headquarters of the department.

~~(The department shall maintain a record of each master program, the action taken by the department on any proposed master program or amendment, and any appeal of the department's action.)~~ Records of master programs no longer in effect will be relocated in accordance with the records retention schedule approved by the state records committee.

Such records should be maintained in two groups of files as follows:

(1) Shoreline master program working files corresponding to each proposed master program or amendment containing, where applicable:

- (a) Initial submittal from local government;
- (b) Record of notice to the public, interested parties, agencies and tribes;
- (c) Staff reports, analysis and recommendations;
- (d) Pertinent correspondence between local government and the department;
- (e) The department's letter denying, approving as submitted or approving alternatives together with findings and conclusions and amended text and/or maps;
- (f) Documents related to any appeal of the department's action on the amendment;
- (g) Supplemental materials including:
  - (i) Interested party mailing list;
  - (ii) Comment letters and exhibits from federal, state, local, and tribal agencies;
  - (iii) Comment letters and exhibits from the general public;
  - (iv) Recorded tapes and/or a summary of hearing oral testimony;
  - (v) A concise explanatory statement, if adopted by rule.

(2) State master program files, containing the master program currently in effect, with all text and map amend-

ments incorporated, constituting the official state master program approved document of record.

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-26-080 Master programs required of local governments.** The following local governments, listed alphabetically by county, are required to develop and administer a shoreline master program:

Adams County.

Asotin County.

Asotin, city of.

Clarkston, city of.

Benton County.

Benton City, city of.

Kennewick, city of.

Prosser, city of.

Richland, city of.

West Richland, city of.

Chelan County.

Cashmere, city of.

Chelan, city of.

Entiat, town of.

Leavenworth, city of.

Wenatchee, city of.

Clallam County.

Forks, city of.

Port Angeles, city of.

Sequim, city of.

Clark County.

Camas, city of.

LaCenter, town of.

Ridgefield, town of.

Vancouver, city of.

Washougal, city of.

Woodland, city of.

Columbia County.

Dayton, city of.

Starbuck, town of.

Cowlitz County.

Castle Rock, city of.

Kalama, city of.

Kelso, city of.

Longview, city of.

Woodland, city of.

Douglas County.

Bridgeport, town of.

Coulee Dam, city of.

East Wenatchee, city of.

Rock Island, town of.

Ferry County.

Republic, town of.

Franklin County.

Mesa, town of.

Pasco, city of.

Garfield County.

Pomeroy, city of.

Grant County.

Coulee City, city of.

Coulee Dam, city of.

Electric City, city of.

Grand Coulee, city of.

Krupp, town of.

Moses Lake, city of.

Soap Lake, city of.

Wilson Creek, town of.

Grays Harbor County.

Aberdeen, city of.

Cosmopolis, city of.

Elma, city of.

Hoquiam, city of.

McCleary, town of.

Montesano, city of.

Oakville, city of.

Ocean Shores, city of.

Westport, city of.

Island County.

Coupeville, town of.

Langley, city of.

Oak Harbor, city of.

Jefferson County.

Port Townsend, city of.

King County.

Auburn, city of.

Beaux Arts Village, town of.

Bellevue, city of.

Black Diamond, city of.

Bothell, city of.

Burien, city of.

Carnation, town of.

Covington, city of.

Des Moines, city of.

Duvall, city of.

Enumclaw, city of.

Federal Way, city of.

Hunts Point, town of.

Issaquah, city of.

Kenmore, city of.

Kent, city of.

Kirkland, city of.

Lake Forest Park, city of.

Maple Valley, city of.

Medina, city of.

Mercer Island, city of.

Milton, city of.

~~(Newcastle, city of.)~~

Normandy Park, city of.

North Bend, city of.

Pacific, city of.

- Redmond, city of.  
 Renton, city of.  
Sammamish, city of  
 Sea-Tac, city of.  
 Seattle, city of.  
 Shoreline, city of.  
 Skykomish, town of.  
 Snoqualmie, city of.  
 Tukwila, city of.  
 Woodinville, city of.  
 Yarrow Point, town of.
- Kitsap County.  
 Bremerton, city of.  
 Port Orchard, city of.  
 Poulsbo, city of.  
 Bainbridge Island, city of.
- Kittitas County.  
 Cle Elum, city of.  
 Ellensburg, city of.  
 South Cle Elum, town of.
- Klickitat County.  
 Bingen, town of.  
 Goldendale, city of.  
 White Salmon, town of.
- Lewis County.  
 Centralia, city of.  
 Chehalis, city of.  
 Morton, city of.  
Napavine, city of  
 Pe Ell, town of.  
 Toledo, city of.  
 Vader, city of.  
 Winlock, city of.
- Lincoln County.  
 Odessa, town of.  
Reardan, town of  
 Sprague, city of.
- Mason County.  
 Shelton, city of.
- Okanogan County.  
 Brewster, town of.  
 Conconully, town of.  
 Coulee Dam, city of.  
Elmer City, town of  
 Okanogan, city of.  
 Omak, city of.  
 Oroville, town of.  
 Pateros, town of.  
 Riverside, town of.  
 Tonasket, town of.  
 Twisp, town of.  
 Winthrop, town of.
- Pacific County.  
 Ilwaco, town of.  
 Long Beach, town of.  
 Raymond, city of.
- South Bend, city of.
- Pend Oreille County.  
 Cusick, town of.  
 Ione, town of.  
 Metaline, town of.  
 Metaline Falls, town of.  
 Newport, city of.
- Pierce County.  
 Bonney Lake, city of.  
 Buckley, city of.  
 Dupont, city of.  
 Eatonville, town of.  
 Fife, city of.  
 Gig Harbor, city of.  
 Lakewood, city of.  
 Milton, city of.  
 Orting, city of.  
 Pacific, city of.  
 Puyallup, city of.  
 Roy, city of.  
 Ruston, town of.  
 South Prairie, town of.  
 Steilacoom, town of.  
 Sumner, city of.  
 Tacoma, city of.  
 University Place, city of.  
 Wilkeson, town of.
- San Juan County.  
 Friday Harbor, town of.
- Skagit County.  
 Anacortes, city of.  
 Burlington, city of.  
 Concrete, town of.  
 Hamilton, town of.  
 La Conner, town of.  
 Lyman, town of.  
 Mount Vernon, city of.  
 Sedro Woolley, city of.
- Skamania County.  
 North Bonneville, city of.  
 Stevenson, town of.
- Snohomish County.  
 Arlington, city of.  
 Bothell, city of.  
 Brier, city of.  
Darrington, town of  
 Edmonds, city of.  
 Everett, city of.  
 Gold Bar, town of.  
 Granite Falls, town of.  
 Index, town of.  
 Lake Stevens, city of.  
Lynnwood, city of  
 Marysville, city of.  
 Monroe, city of.  
 Mountlake Terrace, city of.  
 Mukilteo, city of.

Snohomish, city of.  
 Stanwood, city of.  
 Sultan, town of.  
 Woodway, town of.

Spokane County.  
 Latah, town of.  
Liberty Lake, town of.  
 Medical Lake, town of.  
 Millwood, town of.  
 Rockford, town of.  
 Spokane, city of.  
Spokane Valley, city of.  
 Waverly, town of.

Stevens County.  
 Chewelah, city of.  
Kettle Falls, city of.  
Marcus, town of.  
 Northport, town of.

Thurston County.  
 Bucoda, town of.  
 Lacey, city of.  
 Olympia, city of.  
 Tenino, town of.  
 Tumwater, city of.  
 Yelm, town of.

Wahkiakum County.  
 Cathlamet, town of.

Walla Walla County.  
Prescott, city of.  
 Waitsburg, town of.  
 Walla Walla, city of.

Whatcom County.  
 Bellingham, city of.  
 Blaine, city of.  
 Everson, city of.  
 Ferndale, city of.  
 Lynden, city of.  
 Nooksack, city of.  
 Sumas, city of.

Whitman County.  
 Albion, town of.  
 Colfax, city of.  
 Malden, town of.  
 Palouse, city of.  
 Pullman, city of.  
 Rosalia, town of.  
 Tekoa, city of.

Yakima County.  
 Grandview, city of.  
 Granger, town of.  
Mabton, city of.  
 Naches, town of.  
 Selah, city of.  
Toppenish, city of.  
 Union Gap, city of.  
Wapato, city of.

Yakima, city of.  
 Zillah, city of.

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-26-110 Submittal to department of proposed master programs/amendments.** A master program or amendment proposed by local government shall be submitted to the department for its review and formal action. A complete submittal shall include two copies of the following, where applicable:

(1) Documentation (i.e., signed resolution or ordinance) that the proposal has been approved by the local government;

(2) If the proposal includes text amending a master program document of record, it shall be submitted in a form that can replace or be easily incorporated within the existing document. Amended text shall show strikeouts for deleted text and underlining for new text, clearly identifying the proposed changes. At the discretion of the department, strikeouts and underlined text may not be required provided the new or deleted portions of the master program are clearly identifiable;

(3) Amended environment designation map(s), showing both existing and proposed designations, together with corresponding boundaries described in text for each change of environment. ~~((Environment designation maps shall include a scale and north arrow and shall be of standard size using distinct reproducible noncolor patterns.))~~ All proposals for changes in environment designation and redesignation shall provide written justification for such based on existing development patterns, the biophysical capabilities and limitations of the shoreline being considered, and the goals and aspirations of the local citizenry as reflected in the locally adopted comprehensive land use plan;

(4) A summary of proposed amendments together with explanatory text indicating the scope and intent of the proposal, staff reports, records of the hearing, and/or other materials which document the necessity for the proposed changes to the master program;

(5) Evidence of compliance with chapter 43.21C RCW, the State Environmental Policy Act, specific to the proposal;

(6) Evidence of compliance with the public notice and consultation requirements of WAC 173-26-100;

(7) Copies of all public, agency and tribal comments received, including a record of names and addresses of interested parties involved in the local government review process or, where no comments have been received, a comment to that effect.

(8) A copy of the SMP submittal checklist completed in accordance with WAC 173-26-201 (2)(f) and (3)(a) and (h).

(9) For comprehensive master program updates, copies of the inventory and characterization, use analysis, restoration plan and cumulative impacts analysis.

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-26-130 Appeal procedures for master programs.** (1) For local governments planning under chapter 36.70A RCW, ~~((the growth management hearings board with~~

~~jurisdiction shall hear and make determinations regarding the department's decision to approve, adopt by rule, or deny a proposed master program or amendment. All petitions for review shall be filed within sixty days after publication of notice by the local government of the department's final action pursuant to WAC 173-26-120(9)) appeals shall be to the growth management hearings board. The petition must be filed pursuant to the requirements of RCW 90.58.190. Ecology's written notice of final action will conspicuously and plainly state it is ecology's final decision and there will be no further modifications under RCW 90.58.090(2).~~

(2) For local governments not planning under chapter 36.70A RCW, all petitions for review shall be filed with the state shorelines hearings board within thirty days of the written decision by the department approving or denying the master program or amendment. Ecology's written notice will conspicuously and plainly state it is ecology's final decision and there will be no further modifications under RCW 90.58.090(2).

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-26-150 Local government annexation—Shoreline environment predesignation in planning jurisdictions.** Cities and towns planning under the Growth Management Act, chapter 36.70A RCW, may within adopted urban growth areas predesignate environments on shorelines located outside of existing city boundaries. Shoreline environment predesignations shall be consistent with the policy of chapters 36.70A and 90.58 RCW and their applicable guidelines and rules.

Such predesignation shall be conducted under a city's or town's authority to plan for growth within adopted urban growth areas.

Cities and towns not planning under the Growth Management Act, chapter 36.70A RCW may predesignate environments on shorelines located outside their existing incorporated boundaries. Shoreline environment predesignations shall be consistent with the policy of chapter 90.58 RCW and its applicable guidelines and rules.

Environment predesignations shall be approved by the department according to the procedures set forth in this chapter for amendment of a shoreline master program. No additional procedures are required by the department at the time of annexation. The shoreline environment designation for a predesignated shoreline area shall take effect concurrent with annexation.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-191 Master program contents.** (1) **Master program concepts.** The following concepts are the basis for effective shoreline master programs.

(a) **Master program policies and regulations.** Shoreline master programs are both planning and regulatory tools. Master programs serve a planning function in several ways. First, they balance and integrate the objectives and interests of local citizens. Therefore, the preparation and amending of master programs shall involve active public participation, as

called for in WAC 173-26-201(3). Second, they address the full variety of conditions on the shoreline. Third, they consider and, where necessary to achieve the objectives of chapter 90.58 RCW, influence planning and regulatory measures for adjacent land. For jurisdictions planning under chapter 36.70A RCW, the Growth Management Act, the requirements for consistency between shoreline and adjacent land planning are more specific and are described in WAC 173-26-191 (1)(e). Fourth, master programs address conditions and opportunities of specific shoreline segments by classifying the shorelines into "environment designations" as described in WAC 173-26-211.

The results of shoreline planning are summarized in shoreline master program policies that establish broad shoreline management directives. The policies are the basis for regulations that govern use and development along the shoreline. Some master program policies may not be fully attainable by regulatory means due to the constitutional and other legal limitations on the regulation of private property. The policies may be pursued by other means as provided in RCW 90.58.240. Some development requires a shoreline permit prior to construction. A local government evaluates a permit application with respect to the shoreline master program policies and regulations and approves a permit only after determining that the development conforms to them. Except where specifically provided in statute, the regulations apply to all uses and development within shoreline jurisdiction, whether or not a shoreline permit is required, and are implemented through an administrative process established by local government pursuant to RCW 90.58.050 and 90.58.140 and enforcement pursuant to RCW 90.58.210 through 90.58.230.

(b) **Master program elements.** RCW 90.58.100(2) states that the master programs shall, when appropriate, include the following elements:

*"(a) An economic development element for the location and design of industries, (~~industrial~~) projects of statewide significance, transportation facilities, port facilities, tourist facilities, commerce and other developments that are particularly dependent on their location on or use of shorelines of the state;*

*(b) A public access element making provision for public access to publicly owned areas;*

*(c) A recreational element for the preservation and enlargement of recreational opportunities, including but not limited to parks, tidelands, beaches, and recreational areas;*

*(d) A circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and other public utilities and facilities, all correlated with the shoreline use element;*

*(e) A use element which considers the proposed general distribution and general location and extent of the use on shorelines and adjacent land areas for housing, business, industry, transportation, agriculture, natural resources, recreation, education, public buildings and grounds, and other categories of public and private uses of the land;*

*(f) A conservation element for the preservation of natural resources, including but not limited to scenic vistas, aesthetics, and vital estuarine areas for fisheries and wildlife protection;*

(g) *An historic, cultural, scientific, and educational element for the protection and restoration of buildings, sites, and areas having historic, cultural, scientific, or educational values;*

(h) *An element that gives consideration to the statewide interest in the prevention and minimization of flood damages; and*

(i) *Any other element deemed appropriate or necessary to effectuate the policy of this chapter."*

The Growth Management Act (chapter 36.70A RCW) also uses the word "element" for discrete components of a comprehensive plan. To avoid confusion, "master program element" refers to the definition in the Shoreline Management Act as cited above. Local jurisdictions are not required to address the master program elements listed in the Shoreline Management Act as discrete sections. The elements may be addressed throughout master program provisions rather than used as a means to organize the master program.

(c) **Shorelines of statewide significance.** The Shoreline Management Act identifies certain shorelines as "shorelines of statewide significance" and raises their status by setting use priorities and requiring "optimum implementation" of the act's policy. WAC 173-26-251 describes methods to provide for the priorities listed in RCW 90.58.020 and to achieve "optimum implementation" as called for in RCW 90.58.090 (4).

(d) **Shoreline environment designations.** Shoreline management must address a wide range of physical conditions and development settings along shoreline areas. Effective shoreline management requires that the shoreline master program prescribe different sets of environmental protection measures, allowable use provisions, and development standards for each of these shoreline segments.

The method for local government to account for different shoreline conditions is to assign an environment designation to each distinct shoreline section in its jurisdiction. The environment designation assignments provide the framework for implementing shoreline policies and regulatory measures specific to the environment designation. WAC 173-26-211 presents guidelines for environment designations in greater detail.

(e) **Consistency with comprehensive planning and other development regulations.** Shoreline management is most effective and efficient when accomplished within the context of comprehensive planning. For cities and counties planning under the Growth Management Act, chapter 36.70A RCW requires mutual and internal consistency between the comprehensive plan elements and implementing development regulations (including master programs). The requirement for consistency is amplified in WAC 365-195-500:

*"Each comprehensive plan shall be an internally consistent document and all elements shall be consistent with the future land use map. This means that each part of the plan should be integrated with all other parts and that all should be capable of implementation together. Internal consistency involves at least two aspects:*

(1) *Ability of physical aspects of the plan to coexist on the available land.*

(2) *Ability of the plan to provide that adequate public facilities are available when the impacts of development occur (concurrency).*

*Each plan should provide mechanisms for ongoing review of its implementation and adjustment of its terms whenever internal conflicts become apparent."*

The Growth Management Act also calls for coordination and consistency of comprehensive plans among local jurisdictions. RCW 36.70A.100 states:

*"The comprehensive plan of each county or city that is adopted pursuant to RCW 36.70A.040 shall be coordinated with, and consistent with, the comprehensive plans adopted pursuant to RCW 36.70A.040 of other counties or cities with which the county or city has, in part, common borders or related regional issues."*

Since master program goals and policies are an element of the local comprehensive plan, the requirement for internal and intergovernmental plan consistency may be satisfied by watershed-wide or regional planning.

Legislative findings provided in section 1, chapter 347, Laws of 1995 (see RCW 36.70A.470 notes) state:

*"The legislature recognizes by this act that the growth management act is a fundamental building block of regulatory reform. The state and local governments have invested considerable resources in an act that should serve as the integrating framework for all other land-use related laws. The growth management act provides the means to effectively combine certainty for development decisions, reasonable environmental protection, long-range planning for cost-effective infrastructure, and orderly growth and development."*

And RCW 36.70A.480(1) (The Growth Management Act) states:

*"For shorelines of the state, the goals and policies of the shoreline management act as set forth in RCW 90.58.020 are added as one of the goals of this chapter as set forth in RCW 36.70A.020 without creating an order of priority among the fourteen goals. The goals and policies of a shoreline master program for a county or city approved under chapter 90.58 RCW shall be considered an element of the county or city's comprehensive plan. All other portions of the shoreline master program for a county or city adopted under chapter 90.58 RCW, including use regulations, shall be considered a part of the county or city's development regulations."*

Furthermore, RCW 36.70A.481 states:

*"Nothing in RCW 36.70A.480 shall be construed to authorize a county or city to adopt regulations applicable to shorelands as defined in RCW 90.58.030 that are inconsistent with the provisions of chapter 90.58 RCW."*

The Shoreline Management Act addresses the issue of consistency in RCW 90.58.340, which states:

*"All state agencies, counties, and public and municipal corporations shall review administrative and management policies, regulations, plans, and ordinances relative to lands under their respective jurisdictions adjacent to the shorelines of the state so as the [to] achieve a use policy on said land consistent with the policy of this chapter, the guidelines, and the master programs for the shorelines of the state. The department may develop recommendations for land use control for such lands. Local governments shall, in developing*

*use regulations for such areas, take into consideration any recommendations developed by the department as well as any other state agencies or units of local government. [1971 ex.s. c 286 § 34.]"*

Pursuant to the statutes cited above, the intent of these guidelines is to assist local governments in preparing and amending master programs that fit within the framework of applicable comprehensive plans, facilitate consistent, efficient review of projects and permits, and effectively implement the Shoreline Management Act. It should be noted the ecology's authority under the Shoreline Management Act is limited to review of shoreline master programs based solely on consistency with the SMA and these guidelines. It is the responsibility of the local government to assure consistency between the master program and other elements of the comprehensive plan and development regulations.

Several sections in these guidelines include methods to achieve the consistency required by both the Shoreline Management Act and the Growth Management Act.

First, WAC 173-26-191 (2)(b) and (c) describe optional methods to integrate master programs and other development regulations and the local comprehensive plan.

Second, WAC 173-26-221 through 173-26-251 translate the broad policy goals in the Shoreline Management Act into more specific policies. They also provide a more defined policy basis on which to frame local shoreline master program provisions and to evaluate the consistency of applicable sections of a local comprehensive plan with the Shoreline Management Act.

Finally, WAC 173-26-211(3) presents specific methods for testing consistency between shoreline environment designations and comprehensive plan land use designations.

(2) **Basic requirements.** This chapter describes the basic components and content required in a master program. A master program must be sufficient and complete to implement the Shoreline Management Act and the provisions of this chapter. A master program shall contain policies and regulations as necessary for reviewers to evaluate proposed shoreline uses and developments for conformance to the Shoreline Management Act. As indicated in WAC 173-26-020, for this chapter: The terms "shall," "must," and "are required" and the imperative voice, mean a mandate; the action is required; the term "should" means that the particular action is required unless there is a demonstrated, sufficient reason, based on a policy of the Shoreline Management Act and this chapter, for not taking the action; and the term "may" indicates that the action is within discretion and authority, provided it satisfies all other provisions in this chapter.

(a) **Master program contents.** Master programs shall include the following contents:

(i) **Master program policies.** Master programs shall provide clear, consistent policies that translate broad statewide policy goals set forth in WAC 173-26-176 and 173-26-181 into local directives. Policies are statements of intent directing or authorizing a course of action or specifying criteria for regulatory and nonregulatory actions by a local government. Master program policies provide a comprehensive foundation for the shoreline master program regulations, which are more specific, standards used to evaluate shoreline development. Master program policies also are to be pursued

and provide guidance for public investment and other non-regulatory initiatives to assure consistency with the overall goals of the master program.

Shoreline policies shall be developed through an open comprehensive shoreline planning process. For governments planning under the Growth Management Act, the master program policies are considered a shoreline element of the local comprehensive plan and shall be consistent with the planning goals of RCW 36.70A.020, as well as the act's general and special policy goals set forth in WAC 173-26-176 and 173-26-181.

At a minimum, shoreline master program policies shall:

(A) Be consistent with state shoreline management policy goals and specific policies listed in this chapter and the policies of the Shoreline Management Act;

(B) Address the master program elements of RCW 90.58.100;

(C) Include policies for environment designations as described in WAC 173-26-211. The policies shall be accompanied by a map or physical description of the schematic environment designation boundaries in sufficient detail to compare with comprehensive plan land use designations; and

(D) Be designed and implemented in a manner consistent with all relevant constitutional and other legal limitations on the regulation of private property.

(ii) **Master program regulations.** RCW 90.58.100 states:

*"The master programs provided for in this chapter, when adopted or approved by the department shall constitute use regulations for the various shorelines of the state."*

In order to implement the directives of the Shoreline Management Act, master program regulations shall:

(A) Be sufficient in scope and detail to ensure the implementation of the Shoreline Management Act, statewide shoreline management policies of this chapter, and local master program policies;

(B) Include environment designation regulations that apply to specific environments consistent with WAC 173-26-210;

(C) Include general regulations, use regulations that address issues of concern in regard to specific uses, and shoreline modification regulations; and

(D) Design and implement regulations and mitigation standards in a manner consistent with all relevant constitutional and other legal limitations on the regulation of private property.

(iii) **Administrative provisions.**

(A) **Statement of applicability.** The Shoreline Management Act's provisions are intended to provide for the management of all development and uses within its jurisdiction, whether or not a shoreline permit is required. Many activities that may not require a substantial development permit, such as clearing vegetation or construction of a residential bulkhead, can, individually or cumulatively, adversely impact adjacent properties and natural resources, including those held in public trust. Local governments have the authority and responsibility to enforce master program regulations on all uses and development in the shoreline area. There has been, historically, some public confusion regarding the Shoreline Management Act's applicability in this regard.

Therefore, all master programs shall include the following statement:

"Except when specifically exempted by statute, all proposed uses and development occurring within shoreline jurisdiction must conform to chapter 90.58 RCW, the Shoreline Management Act, and this master program."

In addition to the requirements of the SMA, permit review, implementation, and enforcement procedures affecting private property must be conducted in a manner consistent with all relevant constitutional and other legal limitations on the regulation of private property. Administrative procedures should include provisions insuring that these requirements and limitations are considered and followed in all such decisions.

While the master program is a comprehensive use regulation applicable to all land and water areas within the jurisdiction described in the act, its effect is generally on future development and changes in land use. Local government may find it necessary to regulate existing uses to avoid severe harm to public health and safety or the environment and in doing so should be cognizant of constitutional and other legal limitations on the regulation of private property. In some circumstances existing uses and properties may become non-conforming with regard to the regulations and master programs should include provisions to address these situations in a manner consistent with achievement of the policy of the act and consistent with constitutional and other legal limitations.

(B) Conditional use and variance provisions.

RCW 90.58.100(5) states:

*"Each master program shall contain provisions to allow for the varying of the application of use regulations of the program, including provisions for permits for conditional uses and variances, to insure that strict implementation of a program will not create unnecessary hardships or thwart the policy enumerated in RCW 90.58.020. Any such varying shall be allowed only if extraordinary circumstances are shown and the public interest suffers no substantial detrimental effect. The concept of this subsection shall be incorporated in the rules adopted by the department relating to the establishment of a permit system as provided in RCW 90.58.140 (3)."*

All master programs shall include standards for reviewing conditional use permits and variances which conform to chapter 173-27 WAC.

**(C) Administrative permit review and enforcement procedures.**

RCW 90.58.140(3) states:

*"The local government shall establish a program, consistent with rules adopted by the department, for the administration and enforcement of the permit system provided in this section. The administration of the system so established shall be performed exclusively by the local government."*

Local governments may include administrative, enforcement, and permit review procedures in the master program or the procedures may be defined by a local government ordinance separate from the master program. In either case, these procedures shall conform to the Shoreline Management Act, specifically RCW 90.58.140, 90.58.143, 90.58.210 and 90.58.220 and to chapter 173-27 WAC.

Adopting review and enforcement procedures separate from the master program allows local governments to more expeditiously revise their shoreline permit review procedures and to integrate them with other permit processing activities.

**(D) Documentation of project review actions and changing conditions in shoreline areas.**

Master programs or other local permit review ordinances addressing shoreline project review shall include a mechanism for documenting all project review actions in shoreline areas. Local governments shall also identify a process for periodically evaluating the cumulative effects of authorized development on shoreline conditions. This process could involve a joint effort by local governments, state resource agencies, affected Indian tribes, and other parties.

**(b) Including other documents in a master program by reference.** Shoreline master program provisions sometimes address similar issues as other comprehensive plan elements and development regulations, such as the zoning code and critical area ordinance. For the purposes of completeness and consistency, local governments may include other locally adopted policies and regulations within their master programs. For example, a local government may include its critical area ordinance in the master program to provide for compliance with the requirements of RCW 90.58.090(4), provided the critical area ordinance is also consistent with this chapter. This can ensure that local master programs are consistent with other regulations.

Shoreline master programs may include other policies and regulations by referencing a specific, dated edition. When including referenced regulations within a master program, local governments shall ensure that the public has an opportunity to participate in the formulation of the regulations or in their incorporation into the master program, as called for in WAC 173-26-201 (3)(b)(i). In the approval process the department will review the referenced development regulation sections as part of the master program. A copy of the referenced regulations shall be submitted to the department with the proposed master program or amendment. If the development regulation is amended, the edition referenced within the master program will still be the operative regulation in the master program. Changing the referenced regulations in the master program to the new edition will require a master program amendment.

**(c) Incorporating master program provisions into other plans and regulations.** Local governments may integrate master program policies and regulations into their comprehensive plan policies and implementing development regulations rather than preparing a discrete master program in a single document. Master program provisions that are integrated into such plans and development regulations shall be clearly identified so that the department can review these provisions for approval and evaluate development proposals for compliance. RCW 90.58.120 requires that all adopted regulations, designations, and master programs be available for public inspection at the department or the applicable county or city. Local governments shall identify all documents which contain master program provisions and which provisions constitute part of the master program. Clear identification of master program provisions is also necessary so that interested persons and entities may be involved in master

program preparation and amendment, as called for in RCW 90.58.130.

Local governments integrating all or portions of their master program provisions into other plans and regulations shall submit to the department a listing and copies of all provisions that constitute the master program. The master program shall also be sufficiently complete and defined to provide:

(i) Clear directions to applicants applying for shoreline permits and exemptions; and

(ii) Clear evaluation criteria and standards to the local governments, the department, other agencies, and the public for reviewing permit applications with respect to state and local shoreline management provisions.

(d) **Multijurisdictional master program.** Two or more adjacent local governments are encouraged to jointly prepare master programs. Jointly proposed master programs may offer opportunities to effectively and efficiently manage natural resources, such as drift cells or watersheds, that cross jurisdictional boundaries. Local governments jointly preparing master programs shall provide the opportunity for public participation locally in each jurisdiction, as called for in WAC 173-26-201 (3)(b), and submit the multijurisdictional master program to the department for approval.

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-201 ((Comprehensive)) Process to prepare or amend shoreline master programs.** (1) **Applicability.** This section outlines ((a comprehensive)) the process to prepare ((or amend)) a comprehensive shoreline master program adoption or update. ((Local governments shall incorporate the steps indicated if one or more of the following criteria apply:

(a) The master program amendments being considered represent a significant modification to shoreline management practices within the local jurisdiction, they modify more than one environment designation boundary, or significantly add, change or delete use regulations;

(b) Physical shoreline conditions have changed significantly, such as substantial changes in shoreline use or priority habitat integrity, since the last comprehensive master program amendment;

(c) The master program amendments being considered contain provisions that will affect a substantial portion of the local government's shoreline areas;

(d) There are substantive issues that must be addressed on a comprehensive basis. This may include issues such as salmon recovery, major use conflicts or public access;

(e) The current master program and the comprehensive plan are not mutually consistent;

(f) There has been no previous comprehensive master program amendment since the original master program adoption; or

(g) Monitoring and adaptive management indicate that changes are necessary to avoid loss of ecological functions.

~~Other revisions that do not meet the above criteria may be made without undertaking this comprehensive process provided that the process conforms to the requirements of WAC 173-26-030 through 173-26-160.)~~ This section also establishes approval criteria for limited shoreline master program amendments.

(a) All master program amendments are subject to ((approval by the department as provided in RCW 90.58.090 (3) and (4))) the minimum procedural rule requirements of WAC 173-26-010 through 173-26-160, and approval by the department as provided in RCW 90.58.090.

(b) Comprehensive master program adoptions and updates shall fully achieve the procedural and substantive requirements of these guidelines. Adoption of new shoreline master programs and amendments submitted to meet the comprehensive update requirements of RCW 90.58.080 are a statewide priority over and above other amendments.

(c) Limited master program amendments may be approved by the department provided the department concludes:

(i) The amendment is necessary to:

(A) Comply with state and federal laws and implementing rules applicable to shorelines of the state within the local government jurisdiction;

(B) Include a newly annexed shoreline of the state within the local government jurisdiction;

(C) Address the results of the periodic master program review required by RCW 90.58.080(4), following a comprehensive master program update;

(D) Improve consistency with SMA goals and policies and its implementing rules; or

(E) Correct errors or omissions.

(ii) The local government is not currently conducting a comprehensive shoreline master program update designed to meet the requirements of RCW 90.58.080, unless the limited amendment is vital to the public interest;

(iii) The proposed amendment will not foster uncoordinated and piecemeal development of the state's shorelines;

(iv) The amendment is consistent with all applicable SMA policies and standards;

(v) All procedural rule requirements for public notice and consultation have been satisfied; and

(vi) Master program guidelines analytical requirements and substantive standards have been satisfied, where they reasonably apply to the limited amendment. All master program amendments must demonstrate that the amendment will not result in a net loss of shoreline ecological functions.

(d) A limited amendment in process at the time a local government's comprehensive update begins will be processed to completion, unless requested otherwise by the local government.

**(2) Basic concepts.**

**(a) Use of scientific and technical information.** To satisfy the requirements for the use of scientific and technical information in RCW 90.58.100(1), local governments shall incorporate the following two steps into their master program development and amendment process.

First, identify and assemble the most current, accurate, and complete scientific and technical information available that is applicable to the issues of concern. The context, scope,

magnitude, significance, and potential limitations of the scientific information should be considered. At a minimum, make use of and, where applicable, incorporate all available scientific information, aerial photography, inventory data, technical assistance materials, manuals and services from reliable sources of science. Local governments should also contact relevant state agencies, universities, affected Indian tribes, port districts and private parties for available information. While adequate scientific information and methodology necessary for development of a master program should be available, if any person, including local government, chooses to initiate scientific research with the expectation that it will be used as a basis for master program provisions, that research shall use accepted scientific methods, research procedures and review protocols. Local governments are encouraged to work interactively with neighboring jurisdictions, state resource agencies, affected Indian tribes, and other local government entities such as port districts to address technical issues beyond the scope of existing information resources or locally initiated research.

Local governments should consult the technical assistance materials produced by the department. When relevant information is available and unless there is more current or specific information available, those technical assistance materials shall constitute an element of scientific and technical information as defined in these guidelines and the use of which is required by the act.

Second, base master program provisions on an analysis incorporating the most current, accurate, and complete scientific or technical information available. Local governments should be prepared to identify the following:

- (i) Scientific information and management recommendations on which the master program provisions are based;
- (ii) Assumptions made concerning, and data gaps in, the scientific information; and
- (iii) Risks to ecological functions associated with master program provisions. Address potential risks as described in WAC 173-26-201 (3)(d).

The requirement to use scientific and technical information in these guidelines does not limit a local jurisdiction's authority to solicit and incorporate information, experience, and anecdotal evidence provided by interested parties as part of the master program amendment process. Such information should be solicited through the public participation process described in WAC 173-26-201 (3)(b). Where information collected by or provided to local governments conflicts or is inconsistent, the local government shall base master program provisions on a reasoned, objective evaluation of the relative merits of the conflicting data.

**(b) Adaptation of policies and regulations.** Effective shoreline management requires the evaluation of changing conditions and the modification of policies and regulations to address identified trends and new information. Local governments should monitor actions taken to implement the master program and shoreline conditions to facilitate appropriate updates of master program provisions to improve shoreline management over time. In reviewing proposals to amend master programs, the department shall evaluate whether the change promotes achievement of the policies of the master program and the act. As provided in WAC 173-26-171 (3)(d),

ecology will periodically review these guidelines, based in part on information provided by local government, and through that process local government will receive additional guidance on significant shoreline management issues that may require amendments to master programs.

**(c) Protection of ecological functions of the shorelines.** This chapter implements the act's policy on protection of shoreline natural resources through protection and restoration of ecological functions necessary to sustain these natural resources. The concept of ecological functions recognizes that any ecological system is composed of a wide variety of interacting physical, chemical and biological components, that are interdependent in varying degrees and scales, and that produce the landscape and habitats as they exist at any time. Ecological functions are the work performed or role played individually or collectively within ecosystems by these components.

As established in WAC 173-26-186(8), these guidelines are designed to assure, at minimum, no net loss of ecological functions necessary to sustain shoreline natural resources and to plan for restoration of ecological functions where they have been impaired. Managing shorelines for protection of their natural resources depends on sustaining the functions provided by:

- Ecosystem-wide processes such as those associated with the flow and movement of water, sediment and organic materials; the presence and movement of fish and wildlife and the maintenance of water quality.
- Individual components and localized processes such as those associated with shoreline vegetation, soils, water movement through the soil and across the land surface and the composition and configuration of the beds and banks of water bodies.

The loss or degradation of the functions associated with ecosystem-wide processes, individual components and localized processes can significantly impact shoreline natural resources and may also adversely impact human health and safety. Shoreline master programs shall address ecological functions associated with applicable ecosystem-wide processes, individual components and localized processes identified in the ecological systems analysis described in WAC 173-26-201 (3)(d)(i).

Nearly all shoreline areas, even substantially developed or degraded areas, retain important ecological functions. For example, an intensely developed harbor area may also serve as a fish migration corridor and feeding area critical to species survival. Also, ecosystems are interconnected. For example, the life cycle of anadromous fish depends upon the viability of freshwater, marine, and terrestrial shoreline ecosystems, and many wildlife species associated with the shoreline depend on the health of both terrestrial and aquatic environments. Therefore, the policies for protecting and restoring ecological functions generally apply to all shoreline areas, not just those that remain relatively unaltered.

Master programs shall contain policies and regulations that assure, at minimum, no net loss of ecological functions necessary to sustain shoreline natural resources. To achieve this standard while accommodating appropriate and necessary shoreline uses and development, master programs should establish and apply:

- Environment designations with appropriate use and development standards; and
- Provisions to address the impacts of specific common shoreline uses, development activities and modification actions; and
- Provisions for the protection of critical areas and critical resource areas within the shoreline; and
- Provisions for mitigation measures and methods to address unanticipated impacts.

When based on the inventory and analysis requirements and completed consistent with the specific provisions of these guidelines, the master program should ensure that development will be protective of ecological functions necessary to sustain existing shoreline natural resources and meet the standard. The concept of "net" as used herein, recognizes that any development has potential or actual, short-term or long-term impacts and that through application of appropriate development standards and employment of mitigation measures in accordance with the mitigation sequence, those impacts will be addressed in a manner necessary to assure that the end result will not diminish the shoreline resources and values as they currently exist. Where uses or development that impact ecological functions are necessary to achieve other objectives of RCW 90.58.020, master program provisions shall, to the greatest extent feasible, protect existing ecological functions and avoid new impacts to habitat and ecological functions before implementing other measures designed to achieve no net loss of ecological functions.

Master programs shall also include policies that promote restoration of ecological functions, as provided in WAC 173-26-201 (2)(f), where such functions are found to have been impaired based on analysis described in WAC 173-26-201 (3)(d)(i). It is intended that local government, through the master program, along with other regulatory and nonregulatory programs, contribute to restoration by planning for and fostering restoration and that such restoration occur through a combination of public and private programs and actions. Local government should identify restoration opportunities through the shoreline inventory process and authorize, coordinate and facilitate appropriate publicly and privately initiated restoration projects within their master programs. The goal of this effort is master programs which include planning elements that, when implemented, serve to improve the overall condition of habitat and resources within the shoreline area of each city and county.

(d) **Preferred uses.** As summarized in WAC 173-26-176, the act establishes policy that preference be given to uses that are unique to or dependent upon a shoreline location. Consistent with this policy, these guidelines use the terms "water-dependent," "water-related," and "water-enjoyment," as defined in WAC 173-26-020, when discussing appropriate uses for various shoreline areas.

Shoreline areas, being a limited ecological and economic resource, are the setting for competing uses and ecological protection and restoration activities. Consistent with RCW 90.58.020 and WAC 173-26-171 through 173-26-186, local governments shall, when determining allowable uses and resolving use conflicts on shorelines within their jurisdiction, apply the following preferences and priorities in the order listed below, starting with (d)(i) of this subsection. For shore-

lines of statewide significance, also apply the preferences as indicated in WAC 173-26-251(2).

(i) Reserve appropriate areas for protecting and restoring ecological functions to control pollution and prevent damage to the natural environment and public health. In reserving areas, local governments should consider areas that are ecologically intact from the uplands through the aquatic zone of the area, aquatic areas that adjoin permanently protected uplands, tidelands in public ownership, and tidelands not reserved for water-dependent use or development. Local governments should ensure that these areas are reserved consistent with constitutional limits.

(ii) Reserve shoreline areas for water-dependent and associated water-related uses. Harbor areas, established pursuant to Article XV of the state Constitution, and other areas that have reasonable commercial navigational accessibility and necessary support facilities such as transportation and utilities should be reserved for water-dependent and water-related uses that are associated with commercial navigation unless the local governments can demonstrate that adequate shoreline is reserved for future water-dependent and water-related uses and unless protection of the existing natural resource values of such areas preclude such uses. Local governments may prepare master program provisions to allow mixed-use developments that include and support water-dependent uses and address specific conditions that affect water-dependent uses.

(iii) Reserve shoreline areas for other water-related and water-enjoyment uses that are compatible with ecological protection and restoration objectives.

(iv) Locate single-family residential uses where they are appropriate and can be developed without significant impact to ecological functions or displacement of water-dependent uses.

(v) Limit nonwater-oriented uses to those locations where the above described uses are inappropriate or where nonwater-oriented uses demonstrably contribute to the objectives of the Shoreline Management Act.

Evaluation pursuant to the above criteria, local economic and land use conditions, and policies and regulations that assure protection of shoreline resources, may result in determination that other uses are considered as necessary or appropriate and may be accommodated provided that the preferred uses are reasonably provided for in the jurisdiction.

**(e) Environmental impact mitigation.**

(i) To assure no net loss of shoreline ecological functions, master programs shall include provisions that require proposed individual uses and developments to analyze environmental impacts of the proposal and include measures to mitigate environmental impacts not otherwise avoided or mitigated by compliance with the master program and other applicable regulations. To the extent Washington's State Environmental Policy Act of 1971 (SEPA), chapter 43.21C RCW, is applicable, the analysis of such environmental impacts shall be conducted consistent with the rules implementing SEPA, which also address environmental impact mitigation in WAC 197-11-660 and define mitigation in WAC 197-11-768. Master programs shall indicate that, where required, mitigation measures shall be applied in the

following sequence of steps listed in order of priority, with (e)(i)(A) of this subsection being top priority.

(A) Avoiding the impact altogether by not taking a certain action or parts of an action;

(B) Minimizing impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology or by taking affirmative steps to avoid or reduce impacts;

(C) Rectifying the impact by repairing, rehabilitating, or restoring the affected environment;

(D) Reducing or eliminating the impact over time by preservation and maintenance operations;

(E) Compensating for the impact by replacing, enhancing, or providing substitute resources or environments; and

(F) Monitoring the impact and the compensation projects and taking appropriate corrective measures.

(ii) In determining appropriate mitigation measures applicable to shoreline development, lower priority measures shall be applied only where higher priority measures are determined to be infeasible or inapplicable.

Consistent with WAC 173-26-186 (5) and (8), master programs shall also provide direction with regard to mitigation for the impact of the development so that:

(A) Application of the mitigation sequence achieves no net loss of ecological functions for each new development and does not result in required mitigation in excess of that necessary to assure that development will result in no net loss of shoreline ecological functions and not have a significant adverse impact on other shoreline functions fostered by the policy of the act.

(B) When compensatory measures are appropriate pursuant to the mitigation priority sequence above, preferential consideration shall be given to measures that replace the impacted functions directly and in the immediate vicinity of the impact. However, alternative compensatory mitigation within the watershed that addresses limiting factors or identified critical needs for shoreline resource conservation based on watershed or comprehensive resource management plans applicable to the area of impact may be authorized. Authorization of compensatory mitigation measures may require appropriate safeguards, terms or conditions as necessary to ensure no net loss of ecological functions.

(f) **Shoreline restoration planning.** Consistent with principle WAC 173-26-186 (8)(c), master programs shall include goals, policies and actions for restoration of impaired shoreline ecological functions. These master program provisions should be designed to achieve overall improvements in shoreline ecological functions over time, when compared to the status upon adoption of the master program. The approach to restoration planning may vary significantly among local jurisdictions, depending on:

- The size of the jurisdiction;
- The extent and condition of shorelines in the jurisdiction;
- The availability of grants, volunteer programs or other tools for restoration; and
- The nature of the ecological functions to be addressed by restoration planning.

Master program restoration plans shall consider and address the following subjects:

(i) Identify degraded areas, impaired ecological functions, and sites with potential for ecological restoration;

(ii) Establish overall goals and priorities for restoration of degraded areas and impaired ecological functions;

(iii) Identify existing and ongoing projects and programs that are currently being implemented, or are reasonably assured of being implemented (based on an evaluation of funding likely in the foreseeable future), which are designed to contribute to local restoration goals;

(iv) Identify additional projects and programs needed to achieve local restoration goals, and implementation strategies including identifying prospective funding sources for those projects and programs;

(v) Identify timelines and benchmarks for implementing restoration projects and programs and achieving local restoration goals;

(vi) Provide for mechanisms or strategies to ensure that restoration projects and programs will be implemented according to plans and to appropriately review the effectiveness of the projects and programs in meeting the overall restoration goals.

**(3) Steps in preparing and amending a master program.**

(a) **Process overview.** This section provides a generalized process to prepare or comprehensively amend a shoreline master program. Local governments may modify the timing of the various steps, integrate the process into other planning activities, add steps to the process, or work jointly with other jurisdictions or regional efforts, provided the provisions of this chapter are met.

The department will provide a shoreline master program amendment checklist to help local governments identify issues to address. The checklist will not create new or additional requirements beyond the provisions of this chapter. The checklist is intended to aid the preparation and review of master program amendments. Local governments shall submit the completed checklist with the proposed master program amendments.

**(b) Participation process.**

(i) **Participation requirements.** Local government shall comply with the provisions of RCW 90.58.130 which states:

*"To insure that all persons and entities having an interest in the guidelines and master programs developed under this chapter are provided with a full opportunity for involvement in both their development and implementation, the department and local governments shall:*

*(1) Make reasonable efforts to inform the people of the state about the shoreline management program of this chapter and in the performance of the responsibilities provided in this chapter, shall not only invite but actively encourage participation by all persons and private groups and entities showing an interest in shoreline management programs of this chapter; and*

*(2) Invite and encourage participation by all agencies of federal, state, and local government, including municipal and public corporations, having interests or responsibilities relating to the shorelines of the state. State and local agencies are directed to participate fully to insure that their inter-*

*ests are fully considered by the department and local governments."*

Additionally, the provisions of WAC 173-26-100 apply and include provisions to assure proper public participation and, for local governments planning under the Growth Management Act, the provisions of RCW 36.70A.140 also apply.

At a minimum, all local governments shall be prepared to describe and document their methods to ensure that all interested parties have a meaningful opportunity to participate.

(ii) **Communication with state agencies.** Before undertaking substantial work, local governments shall notify applicable state agencies to identify state interests, relevant regional and statewide efforts, available information, and methods for coordination and input. Contact the department for a list of applicable agencies to be notified.

(iii) **Communication with affected Indian tribes.** Prior to undertaking substantial work, local governments shall notify affected Indian tribes to identify tribal interests, relevant tribal efforts, available information and methods for coordination and input. Contact the individual tribes or coordinating bodies such as the Northwest Indian Fisheries Commission, for a list of affected Indian tribes to be notified.

(c) **Inventory shoreline conditions.** Gather and incorporate all pertinent and available information, existing inventory data and materials from state and federal agencies, individuals and nongovernmental entities with expertise, affected Indian tribes, watershed management planning, port districts and other appropriate sources. Ensure that, whenever possible, inventory methods and protocols are consistent with those of neighboring jurisdictions and state efforts. The department will provide, to the extent possible, services and resources for inventory work. Contact the department to determine information sources and other relevant efforts. Map inventory information at an appropriate scale. The department may provide an inventory of shoreline conditions to the local jurisdiction.

Local governments shall be prepared to demonstrate how the inventory information was used in preparing their local master program amendments.

Collection of additional inventory information is encouraged and should be coordinated with other watershed, regional, or statewide inventory and planning efforts in order to ensure consistent methods and data protocol as well as effective use of fiscal and human resources. Local governments should be prepared to demonstrate that they have coordinated with applicable interjurisdictional shoreline inventory and planning programs where they exist. Two or more local governments are encouraged to jointly conduct an inventory in order to increase the efficiency of data gathering and comprehensiveness of inventory information. Data from interjurisdictional, watershed, or regional inventories may be substituted for an inventory conducted by an individual jurisdiction, provided it meets the requirements of this section.

Local government shall, at a minimum, and to the extent such information is relevant and reasonably available, collect the following information:

(i) Shoreline and adjacent land use patterns and transportation and utility facilities, including the extent of existing structures, impervious surfaces, vegetation and shoreline

modifications in shoreline jurisdiction. Special attention should be paid to identification of water-oriented uses and related navigation, transportation and utility facilities.

(ii) Existing aquatic and terrestrial wildlife habitats; native aquatic vegetation; riparian and associated upland plant communities; and critical areas, including wetlands, aquifer recharge areas, fish and wildlife conservation areas, geologically hazardous areas, and frequently flooded areas. See also WAC 173-26-221.

(iii) Altered and degraded areas and sites with potential for ecological restoration.

(iv) Areas of special interest, such as priority habitats, ecologically intact late successional native plant communities, developing or redeveloping harbors and waterfronts, previously identified toxic or hazardous material clean-up sites, dredged material disposal sites, or eroding shorelines, to be addressed through new master program provisions.

(v) Conditions and regulations in shoreland and adjacent areas that affect shorelines, such as surface water management and land use regulations. This information may be useful in achieving mutual consistency between the master program and other development regulations.

(vi) Existing and potential shoreline public access sites, including public rights of way and utility corridors.

(vii) General location of channel migration zones, and flood plains.

(viii) Gaps in existing information. During the initial inventory, local governments should identify what additional information may be necessary for more effective shoreline management.

(ix) If the shoreline is rapidly developing or subject to substantial human changes such as clearing and grading, past and current records or historical aerial photographs may be necessary to identify cumulative impacts, such as bulkhead construction, intrusive development on priority and critical habitats, and conversion of harbor areas to nonwater-oriented uses.

(x) If archaeological or historic resources have been identified in shoreline jurisdiction, consult with the state historic preservation office and local affected Indian tribes regarding existing archaeological and historical information.

(xi) Information specific to the aquatic environment for siting in-water uses and development, such as sediment contamination, intertidal property ownership, aquaculture operations, shellfish beds, shellfish protection districts, and areas that meet department of health shellfish water quality certification requirements.

(d) **Analyze shoreline issues of concern.** Before establishing specific master program provisions, local governments shall analyze the information gathered in (c) of this subsection and as necessary to ensure effective shoreline management provisions, address the topics below, where applicable.

(i) **Characterization of functions and ecosystem-wide processes.**

(A) Prepare a characterization of shoreline ecosystems and their associated ecological functions. The characterization consists of three steps:

(I) Identify the ecosystem-wide processes and ecological functions based on the list in (d)(i)(C) of this subsection that apply to the shoreline(s) of the jurisdiction.

(II) Assess the ecosystem-wide processes to determine their relationship to ecological functions present within the jurisdiction and identify which ecological functions are healthy, which have been significantly altered and/or adversely impacted and which functions may have previously existed and are missing based on the values identified in (d)(i)(D) of this subsection; and

(III) Identify specific measures necessary to protect and/or restore the ecological functions and ecosystem-wide processes.

(B) The characterization of shoreline ecological systems may be achieved by using one or more of the approaches below:

(I) If a regional environmental management plan, such as a watershed plan or coastal erosion study, is ongoing or has been completed, then conduct the characterization either within the framework of the regional plan or use the data provided in the regional plan. This methodology is intended to contribute to an in-depth and comprehensive assessment and characterization.

(II) If a regional environmental management plan has not been completed, use available scientific and technical information, including flood studies, habitat evaluations and studies, water quality studies, and data and information from environmental impact statements. This characterization of ecosystem-wide processes and the impact upon the functions of specific habitats and human health and safety objectives may be of a generalized nature.

(III) One or more local governments may pursue a characterization which includes a greater scope and complexity than listed in (d)(i)(B)(I) and (II) of this subsection.

(C) Shoreline ecological functions include, but are not limited to:

In rivers and streams and associated flood plains:

Hydrologic: Transport of water and sediment across the natural range of flow variability; attenuating flow energy; developing pools, riffles, gravel bars, nutrient flux, recruitment and transport of large woody debris and other organic material.

Shoreline vegetation: Maintaining temperature; removing excessive nutrients and toxic compound, sediment removal and stabilization; attenuation of high stream flow energy; and provision of ~~((large))~~ woody debris and other organic matter.

Hyporheic functions: Removing excessive nutrients and toxic compound, water storage, support of vegetation, and sediment storage and maintenance of base flows.

Habitat for native aquatic and shoreline-dependent birds, invertebrates, mammals; amphibians; and anadromous and resident native fish: Habitat functions may include, but are not limited to, space or conditions for reproduction; resting, hiding and migration; and food production and delivery.

In lakes:

Hydrologic: Storing water and sediment, attenuating wave energy, removing excessive nutrients and toxic compounds, recruitment of large woody debris and other organic material.

Shoreline vegetation: Maintaining temperature; removing excessive nutrients and toxic compound, attenuating wave energy, sediment removal and stabilization; and providing woody debris and other organic matter.

~~((Hyporheic functions: Removing excessive nutrients and toxic compound, water storage, support of vegetation, and sediment storage and maintenance of base flows.))~~

Habitat for aquatic and shoreline-dependent birds, invertebrates, mammals; amphibians; and anadromous and resident native fish: Habitat functions may include, but are not limited to, space or conditions for reproduction, resting, hiding and migration; and food production and delivery.

In marine waters:

Hydrologic: Transporting and stabilizing sediment, attenuating wave and tidal energy, removing excessive nutrients and toxic compounds; recruitment, redistribution and reduction of woody debris and other organic material.

Vegetation: Maintaining temperature; removing excessive nutrients and toxic compound, attenuating wave energy, sediment removal and stabilization; and providing woody debris and other organic matter.

Habitat for aquatic and shoreline-dependent birds, invertebrates, mammals; amphibians; and anadromous and resident native fish: Habitat functions may include, but are not limited to, space or conditions for reproduction, resting, hiding and migration; and food production and delivery.

Wetlands:

Hydrological: Storing water and sediment, attenuating wave energy, removing excessive nutrients and toxic compounds, recruiting woody debris and other organic material.

Vegetation: Maintaining temperature; removing excessive nutrients and toxic compound, attenuating wave energy, removing and stabilizing sediment; and providing woody debris and other organic matter.

Hyporheic functions: Removing excessive nutrients and toxic compound, storing water and maintaining base flows, storing sediment and support of vegetation.

Habitat for aquatic and shoreline-dependent birds, invertebrates, mammals; amphibians; and anadromous and resident native fish: Habitat functions may include, but are not limited to, space or conditions for reproduction, resting, hiding and migration; and food production and delivery.

(D) The overall condition of habitat and shoreline resources are determined by the following ecosystem-wide processes and ecological functions:

The distribution, diversity, and complexity of the watersheds, marine environments, and landscape-scale features that form the aquatic systems to which species, populations, and communities are uniquely adapted.

The spatial and temporal connectivity within and between watersheds and along marine shorelines. Drainage network connections include flood plains, wetlands, upslope areas, headwater tributaries, and naturally functioning routes to areas critical for fulfilling life history requirements of aquatic and riverine-dependent species.

The shorelines, beaches, banks, marine near-shore habitats, and bottom configurations that provide the physical framework of the aquatic system.

The timing, volume, and distribution of woody debris recruitment in rivers, streams and marine habitat areas.

The water quality necessary to maintain the biological, physical, and chemical integrity of the system and support survival, growth, reproduction, and migration of individuals composing aquatic (~~and~~), riverine and lacustrine communities.

The sediment regime under which aquatic ecosystems evolved. Elements of the sediment regime include the timing, volume, rate, and character of sediment input, storage, and transport.

The range of flow variability sufficient to create and sustain lacustrine, fluvial, aquatic, and wetland habitats, the patterns of sediment, nutrient, and wood routing. The timing, magnitude, duration, and spatial distribution of peak, high, and low flows, and duration of flood plain inundation and water table elevation in meadows and wetlands.

The species composition and structural diversity of plant communities in river and stream areas and wetlands that provides summer and winter thermal regulation, nutrient filtering, appropriate rates of surface erosion, bank erosion, and channel migration and to supply amounts and distributions of woody debris sufficient to sustain physical complexity and stability.

(E) Local governments should use the characterization and analysis called for in this section to prepare master program policies and regulations designed to achieve no net loss of ecological functions necessary to support shoreline resources and to plan for the restoration of the ecosystem-wide processes and individual ecological functions on a comprehensive basis over time.

(ii) **Shoreline use analysis and priorities.** Conduct an analysis to estimate the future demand for shoreline space and potential use conflicts. Characterize current shoreline use patterns and projected trends to ensure appropriate uses consistent with chapter 90.58 RCW and WAC 173-26-201 (2)(d) and 173-26-211(5).

If the jurisdiction includes a designated harbor area or urban waterfront with intensive uses or significant development or redevelopment issues, work with the Washington state department of natural resources and port authorities to ensure consistency with harbor area statutes and regulations, and to address port plans. Identify measures and strategies to encourage appropriate use of these shoreline areas in accordance with the use priorities of chapter 90.58 RCW and WAC 173-26-201 (2)(d) while pursuing opportunities for ecological restoration.

(iii) **Addressing cumulative impacts in developing master programs.** The principle that regulation of development shall achieve no net loss of ecological function requires that master program policies and regulations address the cumulative impacts on shoreline ecological functions that would result from future shoreline development and uses that are reasonably foreseeable from proposed master programs. To comply with the general obligation to assure no net loss of shoreline ecological function, the process of developing the policies and regulations of a shoreline master program requires assessment of how proposed policies and regulations cause and avoid such cumulative impacts.

Evaluating and addressing cumulative impacts shall be consistent with the guiding principle in WAC 173-26-186 (8)(d). An appropriate evaluation of cumulative impacts on

ecological functions will consider the factors identified in WAC 173-26-186 (8)(d)(i) through (iii) and the effect on the ecological functions of the shoreline that are caused by unregulated activities, development and uses exempt from permitting, effects such as the incremental impact of residential bulkheads, residential piers, or runoff from newly developed properties. Accordingly, particular attention should be paid to policies and regulations that address platting or subdividing of property, laying of utilities, and mapping of streets that establish a pattern for future development that is to be regulated by the master program.

There are practical limits when evaluating impacts that are prospective and sometimes indirect. Local government should rely on the assistance of state agencies and appropriate parties using evaluation, measurement, estimation, or quantification of impact consistent with the guidance of RCW 90.58.100(1) and WAC 173-26-201 (2)(a). Policies and regulations of a master program are not inconsistent with these guidelines for failing to address cumulative impacts where a purported impact is not susceptible to being addressed using an approach consistent with RCW 90.58.100 (1).

Complying with the above guidelines is the way that master program policies and regulations should be developed to assure that the commonly occurring and foreseeable cumulative impacts do not cause a net loss of ecological functions of the shoreline. For such commonly occurring and planned development, policies and regulations should be designed without reliance on an individualized cumulative impacts analysis. Local government shall fairly allocate the burden of addressing cumulative impacts.

For development projects and uses that may have unanticipated or uncommon impacts that cannot be reasonably identified at the time of master program development, the master program policies and regulations should use the permitting or conditional use permitting processes to ensure that all impacts are addressed and that there is no net loss of ecological function of the shoreline after mitigation.

Similarly, local government shall consider and address cumulative impacts on other functions and uses of the shoreline that are consistent with the act. For example, a cumulative impact of allowing development of docks or piers could be interference with navigation on a water body.

(iv) **Shorelines of statewide significance.** If the area contains shorelines of statewide significance, undertake the steps outlined in WAC 173-26-251.

(v) **Public access.** Identify public access needs and opportunities within the jurisdiction and explore actions to enhance shoreline recreation facilities, as described in WAC 173-26-221(4).

(vi) **Enforcement and coordination with other regulatory programs.** Local governments planning under the Growth Management Act shall review their comprehensive plan policies and development regulations to ensure mutual consistency. In order to effectively administer and enforce master program provisions, local governments should also review their current permit review and inspection practices to identify ways to increase efficiency and effectiveness and to ensure consistency.

(vii) **Water quality and quantity.** Identify water quality and quantity issues relevant to master program provisions, including those that affect human health and safety. Shellfish for human consumption are particularly vulnerable to poor water quality and data should be reviewed specific to this water-dependent use. At a minimum, consult with appropriate federal, state, tribal, and local agencies.

(viii) **Vegetation conservation.** Identify how existing shoreline vegetation provides ecological functions and determine methods to ensure protection of those functions. Identify important ecological functions that have been degraded through loss of vegetation. Consider the amount of vegetated shoreline area necessary to achieve ecological objectives. While there may be less vegetation remaining in urbanized areas than in rural areas, the importance of this vegetation, in terms of the ecological functions it provides, is often as great or even greater than in rural areas due to its scarcity. Identify measures to ensure that new development meets vegetation conservation objectives.

(ix) **Special area planning.** Some shoreline sites or areas require more focused attention than is possible in the overall master program development process due to complex shoreline ecological issues, changing uses, or other unique features or issues. In these circumstances, the local government is encouraged to undertake special area planning. Special area planning also may be used to address: Public access, vegetation conservation, shoreline use compatibility, port development master planning, ecological restoration, or other issues best addressed on a comprehensive basis.

The resultant plans may serve as the basis for facilitating state and local government coordination and permit review. Special area planning shall provide for public and affected Indian tribe participation and compliance with all applicable provisions of the act and WAC 173-26-090 through 173-26-120.

(e) **Establish shoreline policies.** Address all of the elements listed in RCW 90.58.100(2) and all applicable provisions of these guidelines in policies. These policies should be reviewed for mutual consistency with the comprehensive plan policies. If there are shorelines of statewide significance, ensure that the other comprehensive plan policies affecting shoreline jurisdiction are consistent with the objectives of RCW 90.58.020 and 90.58.090(4).

(f) **Establish environment designations.** Establish environment designations and identify permitted uses and development standards for each environment designation.

Based on the inventory in (c) of this subsection and the analysis in (d) of this subsection, assign each shoreline segment an environment designation.

Prepare specific environment designation policies and regulations.

Review the environment designations for mutual consistency with comprehensive plan land use designations as indicated in WAC 173-26-211(3).

In determining the boundaries and classifications of environment designations, adhere to the criteria in WAC 173-26-211(5).

(g) **Prepare other shoreline regulations.** Prepare other shoreline regulations based on the policies and the analyses described in this section as necessary to assure consistency

with the guidelines of this chapter. The level of detail of inventory information and planning analysis will be a consideration in setting shoreline regulations. As a general rule, the less known about existing resources, the more protective shoreline master program provisions should be to avoid unanticipated impacts to shoreline resources. If there is a question about the extent or condition of an existing ecological resource, then the master program provisions shall be sufficient to reasonably assure that the resource is protected in a manner consistent with the policies of these guidelines. ~~((Local governments may accomplish this by including master program requirements for an on-site inventory at the time of project application and performance standard that assure appropriate protection.))~~

(h) **Submit for review and approval.** Local governments are encouraged to work with department personnel during preparation of the master program and to submit draft master program provisions to the department for informal advice and guidance prior to formal submittal.

Local governments shall submit the completed checklist, as described in WAC 173-26-201 (3)(a), with their master program amendments proposed for adoption. Master program review and formal adoption procedures are described in Parts I and II of this chapter.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-211 Environment designation system.**

(1) **Applicability.** This section applies to the establishment of environment designation boundaries and provisions as described in WAC 173-26-191 (1)(d).

(2) **Basic requirements for environment designation classification and provisions.**

(a) Master programs shall contain a system to classify shoreline areas into specific environment designations. This classification system shall be based on the existing use pattern, the biological and physical character of the shoreline, and the goals and aspirations of the community as expressed through comprehensive plans as well as the criteria in this section. Each master program's classification system shall be consistent with that described in WAC 173-26-211 (4) and (5) unless the alternative proposed provides equal or better implementation of the act.

(b) An up-to-date and accurate map of the shoreline area delineating the environment designations and their boundaries shall be prepared and maintained in the local government office that administers shoreline permits. If it is not feasible to accurately designate individual parcels on a map, the master program text shall include a clear basis for identifying the boundaries, physical features, explicit criteria, or "common" boundary descriptions to accurately define and distinguish the environments on the ground. The master program should also make it clear that in the event of a mapping error, the jurisdiction will rely upon common boundary descriptions and the criteria contained in RCW 90.58.030(2) and chapter 173-22 WAC pertaining to determinations of shorelands, as amended, rather than the incorrect or outdated map.

(c) To facilitate consistency with land use planning, local governments planning under chapter 36.70A RCW are

encouraged to illustrate shoreline designations on the comprehensive plan future land use map as described in WAC 365-195-300 (2)(d).

(d) Pursuant to RCW 90.58.040, the map should clearly illustrate what environment designations apply to all shorelines of the state as defined in RCW 90.58.030 (2)(c) within the local government's jurisdiction in a manner consistent with WAC 173-26-211 (4) and (5).

(e) The map and the master program should note that all areas within shoreline jurisdiction that are not mapped and/or

designated are automatically assigned a "rural conservancy" designation, or "urban conservancy" designation if within a municipality or urban growth area, or the comparable environment designation of the applicable master program until the shoreline can be redesignated through a master program amendment.

(f) The following diagram summarizes the components of the environment designation provisions.

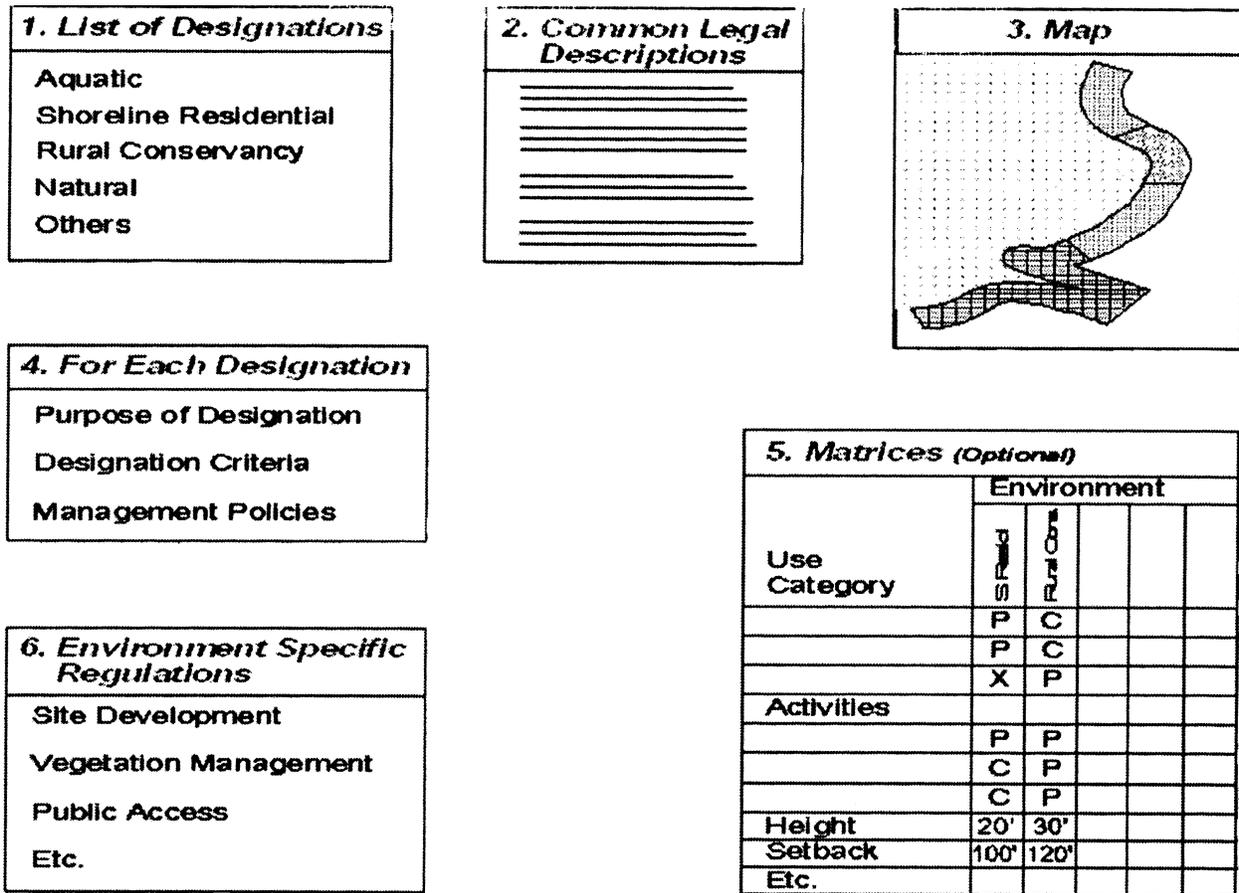


Diagram summarizing the components of the environment designation provisions.

*(This is for illustration purposes only and does not supplement or add to the language in the chapter text.)*

(3) **Consistency between shoreline environment designations and the local comprehensive plan.** As noted in WAC 173-26-191 (1)(e), RCW 90.58.340 requires that policies for lands adjacent to the shorelines be consistent with the Shoreline Management Act, implementing rules, and the applicable master program. Conversely, local comprehensive plans constitute the underlying framework within which master program provisions should fit. The Growth Management Act, where applicable, designates shoreline master program policies as an element of the comprehensive plan and requires that all elements be internally consistent. Chapter 36.70A RCW also requires development regulations to be consistent with the comprehensive plan.

The following criteria are intended to assist local governments in evaluating the consistency between master program environment designation provisions and the corresponding

comprehensive plan elements and development regulations. In order for shoreline designation provisions, local comprehensive plan land use designations, and development regulations to be internally consistent, all three of the conditions below should be met:

(a) **Provisions not precluding one another.** The comprehensive plan provisions and shoreline environment designation provisions should not preclude one another. To meet this criteria, the provisions of both the comprehensive plan and the master program must be able to be met. Further, when considered together and applied to any one piece of property, the master program use policies and regulations and the local zoning or other use regulations should not conflict in a manner that all viable uses of the property are precluded.

(b) **Use compatibility.** Land use policies and regulations should protect preferred shoreline uses from being

impacted by incompatible uses. The intent is to prevent water-oriented uses, especially water-dependent uses, from being restricted on shoreline areas because of impacts to nearby nonwater-oriented uses. To be consistent, master programs, comprehensive plans, and development regulations should prevent new uses that are not compatible with preferred uses from locating where they may restrict preferred uses or development.

(c) **Sufficient infrastructure.** Infrastructure and services provided in the comprehensive plan should be sufficient to support allowed shoreline uses. Shoreline uses should not be allowed where the comprehensive plan does not provide sufficient roads, utilities, and other services to support them. Infrastructure plans must also be mutually consistent with shoreline designations. Where they do exist, utility services routed through shoreline areas shall not be a sole justification for more intense development.

(4) **General environment designation provisions.**

(a) **Requirements.** For each environment designation, the shoreline master program shall describe:

(i) **Purpose statement.** The statement of purpose shall describe the shoreline management objectives of the designation in a manner that distinguishes it from other designations.

(ii) **Classification criteria.** Clearly stated criteria shall provide the basis for classifying or reclassifying a specific shoreline area with an environment designation.

(iii) **Management policies.** These policies shall be in sufficient detail to assist in the interpretation of the environment designation regulations and, for jurisdictions planning under chapter 36.70A RCW, to evaluate consistency with the local comprehensive plan.

(iv) **Regulations.** Environment-specific regulations shall address the following where necessary to account for different shoreline conditions:

(A) Types of shoreline uses permitted, conditionally permitted, and prohibited;

(B) Building or structure height and bulk limits, setbacks, maximum density or minimum frontage requirements, and site development standards; and

(C) Other topics not covered in general use regulations that are necessary to assure implementation of the purpose of the environment designation.

(b) **The recommended classification system.** The recommended classification system consists of six basic environments: "High-intensity," "shoreline residential," "urban conservancy," "rural conservancy," "natural," and "aquatic" as described in this section and WAC 173-26-211(5). Local governments should assign all shoreline areas an environment designation consistent with the corresponding designation criteria provided for each environment. In delineating environment designations, local government should assure that existing shoreline ecological functions are protected with the proposed pattern and intensity of development. Such designations should also be consistent with policies for restoration of degraded shorelines.

(c) **Alternative systems.**

(i) Local governments may establish a different designation system or may retain their current environment designations, provided it is consistent with the purposes and policies of this section and WAC 173-26-211(5).

(ii) Local governments may use "parallel environments" where appropriate. Parallel environments divide shorelands into different sections generally running parallel to the shoreline or along a physical feature such as a bluff or railroad right of way. Such environments may be useful, for example, to accommodate resource protection near the shoreline and existing development further from the shoreline. Where parallel environments are used, developments and uses allowed in one environment should not be inconsistent with the achieving the purposes of the other.

(5) **The designations.**

(a) **"Natural" environment.**

(i) **Purpose.** The purpose of the "natural" environment is to protect those shoreline areas that are relatively free of human influence or that include intact or minimally degraded shoreline functions intolerant of human use. These systems require that only very low intensity uses be allowed in order to maintain the ecological functions and ecosystem-wide processes. Consistent with the policies of the designation, local government should include planning for restoration of degraded shorelines within this environment.

(ii) **Management policies.**

(A) Any use that would substantially degrade the ecological functions or natural character of the shoreline area should not be allowed.

(B) The following new uses should not be allowed in the "natural" environment:

- Commercial uses.
- Industrial uses.
- Nonwater-oriented recreation.
- Roads, utility corridors, and parking areas that can be located outside of "natural" designated shorelines.

(C) Single-family residential development may be allowed as a conditional use within the "natural" environment if the density and intensity of such use is limited as necessary to protect ecological functions and be consistent with the purpose of the environment.

(D) Commercial forestry may be allowed as a conditional use in the "natural" environment provided it meets the conditions of the State Forest Practices Act and its implementing rules and is conducted in a manner consistent with the purpose of this environment designation.

(E) Agricultural uses of a very low intensity nature may be consistent with the natural environment when such use is subject to appropriate limitations or conditions to assure that the use does not expand or alter practices in a manner inconsistent with the purpose of the designation.

(F) Scientific, historical, cultural, educational research uses, and low-intensity water-oriented recreational access uses may be allowed provided that no significant ecological impact on the area will result.

(G) New development or significant vegetation removal that would reduce the capability of vegetation to perform normal ecological functions should not be allowed. Do not allow the subdivision of property in a configuration that, to achieve its intended purpose, will require significant vegetation removal or shoreline modification that adversely impacts ecological functions. That is, each new parcel must be able to support its intended development without significant ecological impacts to the shoreline ecological functions.

(iii) **Designation criteria.** A "natural" environment designation should be assigned to shoreline areas if any of the following characteristics apply:

(A) The shoreline is ecologically intact and therefore currently performing an important, irreplaceable function or ecosystem-wide process that would be damaged by human activity;

(B) The shoreline is considered to represent ecosystems and geologic types that are of particular scientific and educational interest; or

(C) The shoreline is unable to support new development or uses without significant adverse impacts to ecological functions or risk to human safety.

Such shoreline areas include largely undisturbed portions of shoreline areas such as wetlands, estuaries, unstable bluffs, coastal dunes, spits, and ecologically intact shoreline habitats. Shorelines inside or outside urban growth areas may be designated as "natural."

Ecologically intact shorelines, as used here, means those shoreline areas that retain the majority of their natural shoreline functions, as evidenced by the shoreline configuration and the presence of native vegetation. Generally, but not necessarily, ecologically intact shorelines are free of structural shoreline modifications, structures, and intensive human uses. In forested areas, they generally include native vegetation with diverse plant communities, multiple canopy layers, and the presence of large woody debris available for recruitment to adjacent water bodies. Recognizing that there is a continuum of ecological conditions ranging from near natural conditions to totally degraded and contaminated sites, this term is intended to delineate those shoreline areas that provide valuable functions for the larger aquatic and terrestrial environments which could be lost or significantly reduced by human development. Whether or not a shoreline is ecologically intact is determined on a case-by-case basis.

The term "ecologically intact shorelines" applies to all shoreline areas meeting the above criteria ranging from larger reaches that may include multiple properties to small areas located within a single property.

Areas with significant existing agriculture lands should not be included in the "natural" designation, except where the existing agricultural operations involve very low intensity uses where there is no significant impact on natural ecological functions, and where the intensity or impacts associated with such agriculture activities is unlikely to expand in a manner inconsistent with the "natural" designation.

(b) **"Rural conservancy" environment.**

(i) **Purpose.** The purpose of the "rural conservancy" environment is to protect ecological functions, conserve existing natural resources and valuable historic and cultural areas in order to provide for sustained resource use, achieve natural flood plain processes, and provide recreational opportunities. Examples of uses that are appropriate in a "rural conservancy" environment include low-impact outdoor recreation uses, timber harvesting on a sustained-yield basis, agricultural uses, aquaculture, low-intensity residential development and other natural resource-based low-intensity uses.

(ii) **Management policies.**

(A) Uses in the "rural conservancy" environment should be limited to those which sustain the shoreline area's physical and biological resources and uses of a nonpermanent nature that do not substantially degrade ecological functions or the rural or natural character of the shoreline area.

Except as noted, commercial and industrial uses should not be allowed. Agriculture, commercial forestry, and aquaculture when consistent with provisions of this chapter may be allowed. Low-intensity, water-oriented commercial and industrial uses may be permitted in the limited instances where those uses have located in the past or at unique sites in rural communities that possess shoreline conditions and services to support the ~~((development))~~ use.

Water-dependent and water-enjoyment recreation facilities that do not deplete the resource over time, such as boating facilities, angling, hunting, wildlife viewing trails, and swimming beaches, are preferred uses, provided significant adverse impacts to the shoreline are mitigated.

Mining is a unique use as a result of its inherent linkage to geology. Therefore, mining and related activities may be an appropriate use within the rural conservancy environment when conducted in a manner consistent with the environment policies and the provisions of WAC 173-26-241 (3)(h) and when located consistent with mineral resource lands designation criteria pursuant to RCW 36.70A.170 and WAC 365-190-070.

(B) Developments and uses that would substantially degrade or permanently deplete the biological resources of the area should not be allowed.

(C) Construction of new structural shoreline stabilization and flood control works should only be allowed where there is a documented need to protect an existing structure or ecological functions and mitigation is applied, consistent with WAC 173-26-231. New development should be designed and located to preclude the need for such work.

(D) Residential development standards shall ensure no net loss of shoreline ecological functions and should preserve the existing character of the shoreline consistent with the purpose of the environment. As a general matter, meeting this provision will require density, lot coverage, vegetation conservation and other provisions.

Scientific studies support density or lot coverage limitation standards that assure that development will be limited to a maximum of ten percent total impervious surface area within the lot or parcel, will maintain the existing hydrologic character of the shoreline. However, an alternative standard developed based on scientific information that meets the provisions of this chapter and accomplishes the purpose of the environment designation may be used.

Master programs may allow greater lot coverage to allow development of lots legally created prior to the adoption of a master program prepared under these guidelines. In these instances, master programs shall include measures to assure protection of ecological functions to the extent feasible such as requiring that lot coverage is minimized and vegetation is conserved.

(E) New shoreline stabilization, flood control measures, vegetation removal, and other shoreline modifications should be designed and managed consistent with these guidelines to

ensure that the natural shoreline functions are protected. Such shoreline modification should not be inconsistent with planning provisions for restoration of shoreline ecological functions.

(iii) **Designation criteria.** Assign a "rural conservancy" environment designation to shoreline areas outside incorporated municipalities and outside urban growth areas, as defined by RCW 36.70A.110, if any of the following characteristics apply:

(A) The shoreline is currently supporting lesser-intensity resource-based uses, such as agriculture, forestry, or recreational uses, or is designated agricultural or forest lands pursuant to RCW 36.70A.170;

(B) The shoreline is currently accommodating residential uses outside urban growth areas and incorporated cities or towns;

(C) The shoreline is supporting human uses but subject to environmental limitations, such as properties that include or are adjacent to steep banks, feeder bluffs, or flood plains or other flood-prone areas;

(D) The shoreline is of high recreational value or with unique historic or cultural resources; or

(E) The shoreline has low-intensity water-dependent uses.

Areas designated in a local comprehensive plan as "rural areas of more intense development," as provided for in chapter 36.70A RCW, may be designated an alternate shoreline environment, provided it is consistent with the objectives of the Growth Management Act and this chapter. "Master planned resorts" as described in RCW 36.70A.360 may be designated an alternate shoreline environment, provided the applicable master program provisions do not allow significant ecological impacts.

Lands that may otherwise qualify for designation as rural conservancy and which are designated as "mineral resource lands" pursuant to RCW 36.70A.170 and WAC 365-190-070 may be assigned a designation within the "rural conservancy" environment that allows mining and associated uses in addition to other uses consistent with the rural conservancy environment.

(c) **"Aquatic" environment.**

(i) **Purpose.** The purpose of the "aquatic" environment is to protect, restore, and manage the unique characteristics and resources of the areas waterward of the ordinary high-water mark.

(ii) **Management policies.**

(A) Allow new over-water structures only for water-dependent uses, public access, or ecological restoration.

(B) The size of new over-water structures should be limited to the minimum necessary to support the structure's intended use.

(C) In order to reduce the impacts of shoreline development and increase effective use of water resources, multiple use of over-water facilities should be encouraged.

(D) All developments and uses on navigable waters or their beds should be located and designed to minimize interference with surface navigation, to consider impacts to public views, and to allow for the safe, unobstructed passage of fish and wildlife, particularly those species dependent on migration.

(E) Uses that adversely impact the ecological functions of critical saltwater and freshwater habitats should not be allowed except where necessary to achieve the objectives of RCW 90.58.020, and then only when their impacts are mitigated according to the sequence described in WAC 173-26-201 (2)(e) as necessary to assure no net loss of ecological functions.

(F) Shoreline uses and modifications should be designed and managed to prevent degradation of water quality and alteration of natural hydrographic conditions.

(G) Local governments should reserve aquatic areas for protecting and restoring ecological functions.

(H) Local governments should reserve shoreline space for shoreline preferred uses. Such planning should consider upland and in-water uses, water quality, navigation, presence of aquatic vegetation, existing shellfish protection districts and critical habitats, aesthetics, public access and views.

(ii) **Designation criteria.** Assign an "aquatic" environment designation to lands waterward of the ordinary high-water mark.

Local governments may designate submerged and intertidal lands with shoreland designations (e.g., "high-intensity" or "rural conservancy") if the management policies and objectives for aquatic areas are met. In this case, the designation system used must provide regulations for managing submerged and intertidal lands that are clear and consistent with the "aquatic" environment management policies in this chapter. Additionally, local governments may assign an "aquatic" environment designation to wetlands.

(d) **"High-intensity" environment.**

(i) **Purpose.** The purpose of the "high-intensity" environment is to provide for high-intensity water-oriented commercial, transportation, and industrial uses while protecting existing ecological functions and restoring ecological functions in areas that have been previously degraded.

(ii) **Management policies.**

(A) In regulating uses in the "high-intensity" environment, first priority should be given to water-dependent uses. Second priority should be given to water-related and water-enjoyment uses. Nonwater-oriented uses should not be allowed except as part of mixed use developments. Nonwater-oriented uses may also be allowed in limited situations where they do not conflict with or limit opportunities for water-oriented uses or on sites where there is no direct access to the shoreline. Such specific situations should be identified in shoreline use analysis or special area planning, as described in WAC 173-26-200 (3)(d).

If an analysis of water-dependent use needs as described in WAC 173-26-201 (3)(d)(ii) demonstrates the needs of existing and envisioned water-dependent uses for the planning period are met, then provisions allowing for a mix of water-dependent and nonwater-dependent uses may be established. If those shoreline areas also provide ecological functions, apply standards to assure no net loss of those functions.

(B) Full utilization of existing urban areas should be achieved before further expansion of intensive development is allowed. Reasonable long-range projections of regional economic need should guide the amount of shoreline designated "high-intensity." However, consideration should be given to the potential for displacement of nonwater-oriented

uses with water-oriented uses when analyzing full utilization of urban waterfronts and before considering expansion of such areas.

(C) Policies and regulations shall assure no net loss of shoreline ecological functions as a result of new development. Where applicable, new development shall include environmental cleanup and restoration of the shoreline to comply in accordance with any relevant state and federal law.

(D) Where feasible, visual and physical public access should be required as provided for in WAC 173-26-221 (4)(d).

(E) Aesthetic objectives should be implemented by means such as sign control regulations, appropriate development siting, screening and architectural standards, and maintenance of natural vegetative buffers.

(iii) **Designation criteria.** Assign a "high-intensity" environment designation to shoreline areas within incorporated municipalities, urban growth areas, and industrial or commercial "rural areas of more intense development," as described by RCW 36.70A.070, if they currently support high-intensity uses related to commerce, transportation or navigation; or are suitable and planned for high-intensity water-oriented uses.

(e) **"Urban conservancy" environment.**

(i) **Purpose.** The purpose of the "urban conservancy" environment is to protect and restore ecological functions of open space, flood plain and other sensitive lands where they exist in urban and developed settings, while allowing a variety of compatible uses.

(ii) **Management policies.**

(A) Uses that preserve the natural character of the area or promote preservation of open space, flood plain or sensitive lands either directly or over the long term should be the primary allowed uses. Uses that result in restoration of ecological functions should be allowed if the use is otherwise compatible with the purpose of the environment and the setting.

(B) Standards should be established for shoreline stabilization measures, vegetation conservation, water quality, and shoreline modifications within the "urban conservancy" designation. These standards shall ensure that new development does not result in a net loss of shoreline ecological functions or further degrade other shoreline values.

(C) Public access and public recreation objectives should be implemented whenever feasible and significant ecological impacts can be mitigated.

(D) Water-oriented uses should be given priority over nonwater-oriented uses. For shoreline areas adjacent to commercially navigable waters, water-dependent uses should be given highest priority.

(E) Mining is a unique use as a result of its inherent linkage to geology. Therefore, mining and related activities may be an appropriate use within the urban conservancy environment when conducted in a manner consistent with the environment policies and the provisions of WAC 173-26-240 (3)(h) and when located consistent with mineral resource lands designation criteria pursuant to RCW 36.70A.170 and WAC 365-190-070.

(iii) **Designation criteria.** Assign an "urban conservancy" environment designation to shoreline areas appropriate and planned for development that is compatible with

maintaining or restoring of the ecological functions of the area, that are not generally suitable for water-dependent uses and that lie in incorporated municipalities, urban growth areas, or commercial or industrial "rural areas of more intense development" if any of the following characteristics apply:

(A) They are suitable for water-related or water-enjoyment uses;

(B) They are open space, flood plain or other sensitive areas that should not be more intensively developed;

(C) They have potential for ecological restoration;

(D) They retain important ecological functions, even though partially developed; or

(E) They have the potential for development that is compatible with ecological restoration.

Lands that may otherwise qualify for designation as urban conservancy and which are designated as "mineral resource lands" pursuant to RCW 36.70A.170 and WAC 365-190-070 may be assigned a designation within the "urban conservancy" environment that allows mining and associated uses in addition to other uses consistent with the urban conservancy environment.

(f) **"Shoreline residential" environment.**

(i) **Purpose.** The purpose of the "shoreline residential" environment is to accommodate residential development and appurtenant structures that are consistent with this chapter. An additional purpose is to provide appropriate public access and recreational uses.

(ii) **Management policies.**

(A) Standards for density or minimum frontage width, setbacks, lot coverage limitations, buffers, shoreline stabilization, vegetation conservation, critical area protection, and water quality shall be set to assure no net loss of shoreline ecological functions, taking into account the environmental limitations and sensitivity of the shoreline area, the level of infrastructure and services available, and other comprehensive planning considerations.

Local governments may establish two or more different "shoreline residential" environments to accommodate different shoreline densities or conditions, provided both environments adhere to the provisions in this chapter.

(B) Multifamily and multilot residential and recreational developments should provide public access and joint use for community recreational facilities.

(C) Access, utilities, and public services should be available and adequate to serve existing needs and/or planned future development.

(D) Commercial development should be limited to water-oriented uses.

(iii) **Designation criteria.** Assign a "shoreline residential" environment designation to shoreline areas inside urban growth areas, as defined in RCW 36.70A.110, incorporated municipalities, "rural areas of more intense development," or "master planned resorts," as described in RCW 36.70A.360, if they are predominantly single-family or multifamily residential development or are planned and platted for residential development.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-221 General master program provisions.** The provisions of this section shall be applied either generally to all shoreline areas or to shoreline areas that meet the specified criteria of the provision without regard to environment designation. These provisions address certain elements as required by RCW 90.58.100(2) and implement the principles as established in WAC 173-26-186.

(1) ***Archaeological and historic resources.***

(a) **Applicability.** The following provisions apply to archaeological and historic resources that are either recorded at the state historic preservation office and/or by local jurisdictions or have been inadvertently uncovered. Archaeological sites located both in and outside shoreline jurisdiction are subject to chapter 27.44 RCW (Indian graves and records) and chapter 27.53 RCW (Archaeological sites and records) and development or uses that may impact such sites shall comply with chapter 25-48 WAC as well as the provisions of this chapter.

(b) **Principles.** Due to the limited and irreplaceable nature of the resource(s), prevent the destruction of or damage to any site having historic, cultural, scientific, or educational value as identified by the appropriate authorities, including affected Indian tribes, and the office of archaeology and historic preservation.

(c) **Standards.** Local shoreline master programs shall include policies and regulations to protect historic, archaeological, and cultural features and qualities of shorelines and implement the following standards. A local government may reference historic inventories or regulations. Contact the office of archaeology and historic preservation and affected Indian tribes for additional information.

(i) Require that developers and property owners immediately stop work and notify the local government, the office of archaeology and historic preservation and affected Indian tribes if archaeological resources are uncovered during excavation.

(ii) Require that permits issued in areas documented to contain archaeological resources require a site inspection or evaluation by a professional archaeologist in coordination with affected Indian tribes.

(2) ***Critical areas and other critical resource areas.***

(a) **Applicability.** Pursuant to the provisions of RCW 90.58.090(4) and 36.70A.480(3) as amended by chapter ((324)) 107, Laws of ((2003 (ESHB 1933)) 2010 (EHB 1653)), shoreline master programs must provide for management of critical areas designated as such pursuant to RCW 36.70A.170 (1)(d) ((and required to be protected pursuant to RCW 36.70A.060(2) that are)) located within the shorelines of the state with policies and regulations that:

(i) Are consistent with the specific provisions of this subsection (2) critical areas and subsection (3) of this section flood hazard reduction, and these guidelines; and

(ii) Provide a level of protection to critical areas within the shoreline area that ((is at least equal to that provided by the local government's critical area regulations adopted pursuant to the Growth Management Act for comparable areas other than shorelines.

~~When approved by ecology pursuant to RCW 90.58.090(4), a local government's SMP becomes regulations for protection of critical areas in the shorelines of the state in the jurisdiction of the adopting local government except as noted in RCW 36.70A.480 (3)(b) and (6)) assures no net loss of shoreline ecological functions necessary to sustain shoreline natural resources.~~

Pursuant to RCW 36.70A.480(3), upon department approval of a shoreline master program, critical areas within shorelines of the state are protected under chapter 90.58 RCW and are not subject to the procedural and substantive requirements of RCW 36.70A, except as provided in RCW 36.70A.480(6).

The provisions of this section and subsection (3) of this section, flood hazard reduction, shall be applied to critical areas within the shorelines of the state. RCW 36.70A.030 defines critical areas as:

*"Critical areas" include the following areas and ecosystems:*

*(a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable waters; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas."*

The provisions of WAC 365-190-080 through 365-190-130, to the extent standards for certain types of critical areas are not provided by this section and subsection (3) of this section flood hazard reduction, and to the extent consistent with these guidelines are also applicable to and provide further definition of critical area categories and management policies.

As provided in RCW 90.58.030 (2)(f)(ii) and 36.70A.-480, as amended by chapter 321, Laws of 2003 (ESHB 1933), any city or county may also include in its master program land necessary for buffers for critical areas, as defined in chapter 36.70A RCW, that occur within shorelines of the state, provided that forest practices regulated under chapter 76.09 RCW, except conversions to nonforest land use, on lands subject to the provision of ~~((f)(ii) of this subsection))~~ WAC 173-26-241 (3)(e) are not subject to additional regulations. If a local government does not include land necessary for buffers for critical areas that occur within shorelines of the state, as authorized above, then the local jurisdiction shall continue to regulate those critical areas and required buffers pursuant to RCW 36.70A.060(2).

In addition to critical areas defined under chapter 36.70A RCW and critical saltwater and freshwater habitats as described in these guidelines, local governments should identify additional shoreline and shoreland resource areas that warrant special protection necessary to achieve no net loss of ecological functions.

(b) **Principles.** Local master programs, when addressing critical areas and critical resource areas, shall implement the following principles:

(i) Shoreline master programs shall adhere to the standards established in the following sections, unless it is demonstrated through scientific and technical information as provided in RCW 90.58.100(1) and as described in WAC 173-26-201 (2)(a) that an alternative approach provides better resource protection.

(ii) In addressing issues related to critical areas and critical resource areas, use scientific and technical information, as described in WAC 173-26-201 (2)(a). The role of ecology in reviewing master program provisions for critical areas in shorelines of the state will be based on the Shoreline Management Act and these guidelines ~~((and a comparison with requirements in currently adopted critical area ordinances for comparable areas to ensure that the provisions are at least equal to the level of protection provided by the currently adopted critical area ordinance))~~.

(iii) In protecting and restoring critical areas and critical resource areas within shoreline jurisdiction, integrate the full spectrum of planning and regulatory measures, including the comprehensive plan, interlocal watershed plans, local development regulations, and state, tribal, and federal programs.

(iv) The planning objectives of shoreline management provisions for critical areas and critical resource areas shall be the protection of existing ecological functions and ecosystem-wide processes and restoration of degraded ecological functions and ecosystem-wide processes. The regulatory provisions for critical areas and critical resource areas shall protect existing ecological functions and ecosystem-wide processes.

(v) Promote human uses and values that are compatible with the other objectives of this section, such as public access and aesthetic values, provided ~~((they do not significantly adversely))~~ that impacts to ecological functions are first avoided, and any unavoidable impacts are mitigated.

(c) **Standards.** When preparing master program provisions for critical areas and critical resource areas, local governments should implement the following standards ~~((the provisions of WAC 365-190-080 and))~~ use scientific and technical information, as provided for in WAC 173-26-201 (2)(a).

~~((In reviewing the critical areas segment of a master program, the department of ecology shall first assure consistency with the standards of this section Critical areas (WAC 173-26-221(2)), and with the Flood hazard reduction section (WAC 173-26-221(3)), and shall then assure that the master program also provides protection of comparable critical areas that is at least equal to the protection provided by the local governments adopted and valid critical area regulations in effect at the time of submittal of the SMP.~~

~~In conducting the review for equivalency with local regulations, the department shall not further evaluate the adequacy of the local critical area regulations. Incorporation of the adopted and valid critical area regulations in effect at the time of submittal by reference as provided in WAC 173-26-191 (2)(b) shall be deemed to meet the requirement for equivalency. However, a finding of equivalency does not constitute a finding of compliance with the requirements of this section and subsection (3) of this section flood hazard reduction, nor with the guidelines overall.))~~

Note that provisions for frequently flooded areas are included in WAC 173-26-221(3).

(i) **Wetlands.**

(A) **Wetland use regulations.** Local governments should consult the department's technical guidance documents on wetlands.

Regulations shall address the following uses to achieve, at a minimum, no net loss of wetland area and functions, including lost time when the wetland does not perform the function:

- The removal, excavation, grading, or dredging of soil, sand, gravel, minerals, organic matter, or material of any kind;
- The dumping, discharging, or filling with any material, including discharges of storm water and domestic, commercial, or industrial wastewater;
- The draining, flooding, or disturbing of the water level, duration of inundation, or water table;
- The driving of pilings;
- The placing of obstructions;
- The construction, reconstruction, demolition, or expansion of any structure;
- ~~((Significant))~~ Vegetation removal, provided that these activities are not part of a forest practice governed under chapter 76.09 RCW and its rules;
- Other uses or development that results in ~~((a significant))~~ an ecological impact to the physical, chemical, or biological characteristics of wetlands; or
- Activities reducing the functions of buffers described in (c)(i)(D) of this subsection.

(B) **Wetland rating or categorization.** Wetlands shall be categorized based on the rarity, irreplaceability, or sensitivity to disturbance of a wetland and the functions the wetland provides. Local governments should either use the Washington state wetland rating system, Eastern or Western Washington version as appropriate, or they should develop their own, regionally specific, scientifically based method for categorizing wetlands. Wetlands should be categorized to reflect differences in wetland quality and function in order to tailor protection standards appropriately. A wetland categorization method is not a substitute for a function assessment method, where detailed information on wetland functions is needed.

(C) **Alterations to wetlands.** Master program provisions addressing alterations to wetlands shall be consistent with the policy of no net loss of wetland area and functions, wetland rating, scientific and technical information, and the mitigation priority sequence defined in WAC 173-26-201 (2)(e).

(D) **Buffers.** Master programs shall contain requirements for buffer zones around wetlands. Buffer requirements shall be adequate to ensure that wetland functions are protected and maintained in the long term. Requirements for buffer zone widths and management shall take into account the ecological functions of the wetland, the characteristics and setting of the buffer, the potential impacts associated with the adjacent land use, and other relevant factors.

(E) **Mitigation.** Master programs shall contain wetland mitigation requirements that are consistent with WAC 173-26-201 (2)(e) and which are based on the wetland rating.

(F) **Compensatory mitigation.** Compensatory mitigation shall be allowed only after mitigation sequencing is applied and higher priority means of mitigation are determined to be infeasible.

Requirements for compensatory mitigation must include provisions for:

(I) Mitigation replacement ratios or a similar method of addressing the following:

- The risk of failure of the compensatory mitigation action;
- The length of time it will take the compensatory mitigation action to adequately replace the impacted wetland functions and values;
- The gain or loss of the type, quality, and quantity of the ecological functions of the compensation wetland as compared with the impacted wetland.

(II) Establishment of performance standards for evaluating the success of compensatory mitigation actions;

(III) Establishment of long-term monitoring and reporting procedures to determine if performance standards are met; and

(IV) Establishment of long-term protection and management of compensatory mitigation sites.

Credits from a certified mitigation bank may be used to compensate for unavoidable impacts.

(ii) **Geologically hazardous areas.** Development in designated geologically hazardous areas shall be regulated in accordance with the following:

(A) Consult ~~((minimum guidelines))~~ designation criteria for geologically hazardous areas, WAC ~~((365-190-080(4)))~~ 365-190-120.

(B) Do not allow new development or the creation of new lots that would cause foreseeable risk from geological conditions to people or improvements during the life of the development.

(C) Do not allow new development that would require structural shoreline stabilization over the life of the development. Exceptions may be made for the limited instances where stabilization is necessary to protect allowed uses where no alternative locations are available and no net loss of ecological functions will result. The stabilization measures shall conform to WAC 173-26-231.

(D) Where no alternatives, including relocation or reconstruction of existing structures, are found to be feasible, and less expensive than the proposed stabilization measure, stabilization structures or measures to protect existing primary residential structures may be allowed in strict conformance with WAC 173-26-231 requirements and then only if no net loss of ecological functions will result.

(iii) **Critical saltwater habitats.**

(A) **Applicability.** Critical saltwater habitats include all kelp beds, eelgrass beds, spawning and holding areas for forage fish, such as herring, smelt and sandlance; ~~((subsistence, commercial and recreational shellfish beds))~~ naturally occurring beds of native shellfish species; mudflats, intertidal habitats with vascular plants, and areas with which priority species have a primary association. Critical saltwater habitats require a higher level of protection due to the important ecological functions they provide. Ecological functions of marine shorelands can affect the viability of critical saltwater habitats. Therefore, effective protection and restoration of critical saltwater habitats should integrate management of shorelands as well as submerged areas.

(B) **Principles.** Master programs shall include policies and regulations to protect critical saltwater habitats and should implement planning policies and programs to restore

such habitats. Planning for critical saltwater habitats shall incorporate the participation of state resource agencies to assure consistency with other legislatively created programs in addition to local and regional government entities with an interest such as port districts. Affected Indian tribes shall also be consulted. Local governments should review relevant comprehensive management plan policies and development regulations for shorelands and adjacent lands to achieve consistency as directed in RCW 90.58.340. Local governments should base management planning on information provided by state resource agencies and affected Indian tribes unless they demonstrate that they possess more accurate and reliable information.

The management planning should include an evaluation of current data and trends regarding the following:

- Available inventory and collection of necessary data regarding physical characteristics of the habitat, including upland conditions, and any information on species population trends;
- Terrestrial and aquatic vegetation;
- The level of human activity in such areas, including the presence of roads and level of recreational types (passive or active recreation may be appropriate for certain areas and habitats);
- Restoration potential;
- Tributaries and small streams flowing into marine waters;
- Dock and bulkhead construction, including an inventory of bulkheads serving no protective purpose;
- Conditions and ecological functions in the near-shore area;
- Uses surrounding the critical saltwater habitat areas that may negatively impact those areas, including permanent or occasional upland, beach, or over-water uses; and
- An analysis of what data gaps exist and a strategy for gaining this information.

The management planning should address the following, where applicable:

- Protecting a system of fish and wildlife habitats with connections between larger habitat blocks and open spaces and restoring such habitats and connections where they are degraded;
- Protecting existing and restoring degraded riparian and estuarine ecosystems, especially salt marsh habitats;
- Establishing adequate buffer zones around these areas to separate incompatible uses from the habitat areas;
- Protecting existing and restoring degraded near-shore habitat;
- Protecting existing and restoring degraded or lost salmonid, shorebird, waterfowl, or marine mammal habitat;
- Protecting existing and restoring degraded upland ecological functions important to critical saltwater habitats, including riparian ~~((vegetation))~~ and associated upland native plant communities;
- Improving water quality;
- Protecting existing and restoring degraded sediment inflow and transport regimens; and
- Correcting activities that cause excessive sediment input where human activity has led to mass wasting.

Local governments, in conjunction with state resource agencies and affected Indian tribes, should classify critical saltwater habitats and protect and restore seasonal ranges and habitat elements with which federal-listed and state-listed endangered, threatened, and priority species have a primary association and which, if altered, may reduce the likelihood that a species will maintain its population and reproduce over the long term.

Local governments, in conjunction with state resource agencies and affected Indian tribes, should determine which habitats and species are of local importance.

~~((All public and private tidelands or bedlands suitable for shellfish harvest shall be classified as critical areas. Local governments should consider both commercial and recreational shellfish areas. Local governments should review the Washington department of health classification of commercial and recreational shellfish growing areas to determine the existing condition of these areas. Further consideration should be given to the vulnerability of these areas to contamination or potential for recovery. Shellfish protection districts established pursuant to chapter 90.72 RCW shall be included in the classification of critical shellfish areas.))~~ Local governments shall ~~((classify))~~ protect kelp and eelgrass beds, forage fish spawning and holding areas, and priority species habitat identified by the department of natural resources' aquatic resources division, the department of fish and wildlife, the department, and affected Indian tribes as critical saltwater habitats.

Comprehensive saltwater habitat management planning should identify methods for monitoring conditions and adapting management practices to new information.

(C) **Standards.** Docks, bulkheads, bridges, fill, floats, jetties, utility crossings, and other human-made structures shall not intrude into or over critical saltwater habitats except when all of the conditions below are met:

- The public's need for such an action or structure is clearly demonstrated and the proposal is consistent with protection of the public trust, as embodied in RCW 90.58.020;
- Avoidance of impacts to critical saltwater habitats by an alternative alignment or location is not feasible or would result in unreasonable and disproportionate cost to accomplish the same general purpose;
- The project including any required mitigation, will result in no net loss of ecological functions associated with critical saltwater habitat.
- The project is consistent with the state's interest in resource protection and species recovery.

Private, noncommercial docks for individual residential or community use may be authorized provided that:

- Avoidance of impacts to critical saltwater habitats by an alternative alignment or location is not feasible;
- The project including any required mitigation, will result in no net loss of ecological functions associated with critical saltwater habitat.

Until an inventory of critical saltwater habitat has been done, shoreline master programs shall condition all over-water and near-shore developments in marine and estuarine waters with the requirement for an inventory of the site and adjacent beach sections to assess the presence of critical saltwater habitats and functions. The methods and extent of the

inventory shall be consistent with accepted research methodology. At a minimum, local governments should consult with department technical assistance materials for guidance.

(iv) **Critical freshwater habitats.**

(A) **Applicability.** The following applies to master program provisions affecting critical freshwater habitats within shorelines of the state designated under chapter 36.70A RCW together with other critical freshwater habitat areas, including those portions of streams, rivers, wetlands, and lakes, their associated channel migration zones, and flood plains ~~((designated))~~ identified as such in the master program.

(B) **Principles.** Many ecological functions of lake, river and stream corridors depend both on continuity and connectivity along the length of the shoreline and on the conditions of the surrounding lands on either side of ~~((the))~~ river channel and lake basin. Environmental degradation caused by development such as improper storm water sewer or industrial outfalls, unmanaged clearing and grading, or runoff from buildings and parking lots within the watershed, can degrade ecological functions in lakes and downstream. Likewise, gradual destruction or loss of ~~((the vegetation))~~ riparian and associated upland native plant communities, alteration of runoff quality and quantity along the lake basin and stream corridor resulting from incremental flood plain and lake basin development can raise water temperatures and alter hydrographic conditions ~~((and degrade other))~~, degrading ecological functions ~~((, thereby making))~~. This makes the corridor inhospitable for ~~((priority))~~ invertebrate and vertebrate aquatic, amphibian and terrestrial wildlife species and susceptible to catastrophic flooding, droughts, landslides and channel changes. These conditions also threaten human health, safety, and property. Long stretches of lake, river and stream shorelines have been significantly altered or degraded in this manner. Therefore, effective management of lake basins and river and stream corridors depends on:

(I) Planning for protection, and restoration where appropriate, throughout the lake basin and along the entire length of the corridor from river headwaters to the mouth; and

(II) Regulating uses and development within ~~((the))~~ lake basins and stream channels, associated channel migration zones, wetlands, and the flood plains, to the extent such areas are in the shoreline jurisdictional area, as necessary to assure no net loss of ecological functions ~~((associated with the river or stream corridors))~~, including where applicable the associated hyporheic zone, results from new development.

As part of a comprehensive approach to management of critical freshwater habitat and other lake, river and stream values, local governments should integrate master program provisions, including those for shoreline stabilization, fill, vegetation conservation, water quality, flood hazard reduction, and specific uses, to protect human health and safety and to protect and restore ~~((the corridor's))~~ lake and river corridor ecological functions and ecosystem-wide processes.

Applicable master programs shall contain provisions to protect hydrologic connections between water bodies, water courses, and associated wetlands. Restoration planning should include incentives and other means to restore water connections that have been impeded by previous development.

Master program provisions for lake basins and river and stream corridors should, where appropriate, be based on the information from comprehensive watershed management planning where available.

(C) **Standards.** Master programs shall implement the following standards within shoreline jurisdiction:

(I) Provide for the protection of ecological functions associated with critical freshwater habitat as necessary to assure no net loss of ecological functions.

(II) (~~Where appropriate,~~) Integrate protection of critical freshwater, riparian and associated upland habitat, protection with flood hazard reduction and other lake, wetland, river and stream management provisions.

(III) Include provisions that facilitate authorization of appropriate restoration projects.

(IV) Provide for the implementation of the principles identified in (c)(iv)(B) of this subsection.

(3) **Flood hazard reduction.**

(a) **Applicability.** The following provisions apply to actions taken to reduce flood damage or hazard and to uses, development, and shoreline modifications that may increase flood hazards. Flood hazard reduction measures may consist of nonstructural measures, such as setbacks, land use controls, wetland restoration, dike removal, use relocation, biotechnical measures, and storm water management programs, and of structural measures, such as dikes, levees, revetments, floodwalls, channel realignment, and elevation of structures consistent with the National Flood Insurance Program. Additional relevant critical area provisions are in WAC 173-26-221(2).

(b) **Principles.** Flooding of rivers, streams, and other shorelines is a natural process that is affected by factors and land uses occurring throughout the watershed. Past land use practices have disrupted hydrological processes and increased the rate and volume of runoff, thereby exacerbating flood hazards and reducing ecological functions. Flood hazard reduction measures are most effective when integrated into comprehensive strategies that recognize the natural hydrogeological and biological processes of water bodies. Over the long term, the most effective means of flood hazard reduction is to prevent or remove development in flood-prone areas, to manage storm water within the flood plain, and to maintain or restore river and stream system's natural hydrological and geomorphological processes.

Structural flood hazard reduction measures, such as diking, even if effective in reducing inundation in a portion of the watershed, can intensify flooding elsewhere. Moreover, structural flood hazard reduction measures can damage ecological functions crucial to fish and wildlife species, bank stability, and water quality. Therefore, structural flood hazard reduction measures shall be avoided whenever possible. When necessary, they shall be accomplished in a manner that assures no net loss of ecological functions and ecosystem-wide processes.

The dynamic physical processes of rivers, including the movement of water, sediment and wood, cause the river channel in some areas to move laterally, or "migrate," over time. This is a natural process in response to gravity and topography and allows the river to release energy and distribute its sediment load. The area within which a river channel

is likely to move over a period of time is referred to as the channel migration zone (CMZ) or the meander belt. Scientific examination as well as experience has demonstrated that interference with this natural process often has unintended consequences for human users of the river and its valley such as increased or changed flood, sedimentation and erosion patterns. It also has adverse effects on fish and wildlife through loss of critical habitat for river and riparian dependent species. Failing to recognize the process often leads to damage to, or loss of, structures and threats to life safety.

Applicable shoreline master programs should include provisions to limit development and shoreline modifications that would result in interference with the process of channel migration that may cause significant adverse impacts to property or public improvements and/or result in a net loss of ecological functions associated with the rivers and streams. (See also (c) of this subsection.)

The channel migration zone should be established to identify those areas with a high probability of being subject to channel movement based on the historic record, geologic character and evidence of past migration. It should also be recognized that past action is not a perfect predictor of the future and that human and natural changes may alter migration patterns. Consideration should be given to such changes that may have occurred and their effect on future migration patterns.

For management purposes, the extent of likely migration along a stream reach can be identified using evidence of active stream channel movement over the past one hundred years. Evidence of active movement can be provided from historic and current aerial photos and maps and may require field analysis of specific channel and valley bottom characteristics in some cases. A time frame of one hundred years was chosen because aerial photos, maps and field evidence can be used to evaluate movement in this time frame.

In some cases, river channels are prevented from normal or historic migration by human-made structures or other shoreline modifications. The definition of channel migration zone indicates that in defining the extent of a CMZ, local governments should take into account the river's characteristics and its surroundings. Unless otherwise demonstrated through scientific and technical information, the following characteristics should be considered when establishing the extent of the CMZ for management purposes:

- Within incorporated municipalities and urban growth areas, areas separated from the active river channel by legally existing artificial channel constraints that limit channel movement should not be considered within the channel migration zone.

- All areas separated from the active channel by a legally existing artificial structure(s) that is likely to restrain channel migration, including transportation facilities, built above or constructed to remain intact through the one hundred-year flood, should not be considered to be in the channel migration zone.

- In areas outside incorporated municipalities and urban growth areas, channel constraints and flood control structures built below the one hundred-year flood elevation do not necessarily restrict channel migration and should not be consid-

ered to limit the channel migration zone unless demonstrated otherwise using scientific and technical information.

Master programs shall implement the following principles:

(i) Where feasible, give preference to nonstructural flood hazard reduction measures over structural measures.

(ii) Base shoreline master program flood hazard reduction provisions on applicable watershed management plans, comprehensive flood hazard management plans, and other comprehensive planning efforts, provided those measures are consistent with the Shoreline Management Act and this chapter.

(iii) Consider integrating master program flood hazard reduction provisions with other regulations and programs, including (if applicable):

- Storm water management plans;
- Flood plain regulations, as provided for in chapter 86.16 RCW;
- Critical area ordinances and comprehensive plans, as provided in chapter 36.70A RCW; and
- The National Flood Insurance Program.

(iv) Assure that flood hazard protection measures do not result in a net loss of ecological functions associated with the rivers and streams.

(v) Plan for and facilitate returning river and stream corridors to more natural hydrological conditions. Recognize that seasonal flooding is an essential natural process.

(vi) When evaluating alternate flood control measures, consider the removal or relocation of structures in flood-prone areas.

(vii) Local governments are encouraged to plan for and facilitate removal of artificial restrictions to natural channel migration, restoration of off channel hydrological connections and return river processes to a more natural state where feasible and appropriate.

(c) **Standards.** Master programs shall implement the following standards within shoreline jurisdiction:

(i) Development in flood plains should not significantly or cumulatively increase flood hazard or be inconsistent with a comprehensive flood hazard management plan adopted pursuant to chapter 86.12 RCW, provided the plan has been adopted after 1994 and approved by the department. New development or new uses in shoreline jurisdiction, including the subdivision of land, should not be established when it would be reasonably foreseeable that the development or use would require structural flood hazard reduction measures within the channel migration zone or floodway. The following uses and activities may be appropriate and/or necessary within the channel migration zone or floodway:

- Actions that protect or restore the ecosystem-wide processes or ecological functions.
- Forest practices in compliance with the Washington State Forest Practices Act and its implementing rules.
- Existing and ongoing agricultural practices, provided that no new restrictions to channel movement occur.
- Mining when conducted in a manner consistent with the environment designation and with the provisions of WAC 173-26-241 (3)(h).
- Bridges, utility lines, and other public utility and transportation structures where no other feasible alternative exists

or the alternative would result in unreasonable and disproportionate cost. Where such structures are allowed, mitigation shall address impacted functions and processes in the affected section of watershed or drift cell.

- Repair and maintenance of an existing legal use, provided that such actions do not cause significant ecological impacts or increase flood hazards to other uses.

- Development with a primary purpose of protecting or restoring ecological functions and ecosystem-wide processes.

- Modifications or additions to an existing nonagricultural legal use, provided that channel migration is not further limited and that the new development includes appropriate protection of ecological functions.

- Development in incorporated municipalities and designated urban growth areas, as defined in chapter 36.70A RCW, where existing structures prevent active channel movement and flooding.

- Measures to reduce shoreline erosion, provided that it is demonstrated that the erosion rate exceeds that which would normally occur in a natural condition, that the measure does not interfere with fluvial hydrological and geomorphological processes normally acting in natural conditions, and that the measure includes appropriate mitigation of impacts to ecological functions associated with the river or stream.

(ii) Allow new structural flood hazard reduction measures in shoreline jurisdiction only when it can be demonstrated by a scientific and engineering analysis that they are necessary to protect existing development, that nonstructural measures are not feasible, that impacts on ecological functions and priority species and habitats can be successfully mitigated so as to assure no net loss, and that appropriate vegetation conservation actions are undertaken consistent with WAC 173-26-221(5).

Structural flood hazard reduction measures shall be consistent with an adopted comprehensive flood hazard management plan approved by the department that evaluates cumulative impacts to the watershed system.

(iii) Place new structural flood hazard reduction measures landward of the associated wetlands, and designated vegetation conservation areas, except for actions that increase ecological functions, such as wetland restoration, or as noted below. Provided that such flood hazard reduction projects be authorized if it is determined that no other alternative to reduce flood hazard to existing development is feasible. The need for, and analysis of feasible alternatives to, structural improvements shall be documented through a geotechnical analysis.

(iv) Require that new structural public flood hazard reduction measures, such as dikes and levees, dedicate and improve public access pathways unless public access improvements would cause unavoidable health or safety hazards to the public, inherent and unavoidable security problems, unacceptable and unmitigable significant ecological impacts, unavoidable conflict with the proposed use, or a cost that is disproportionate and unreasonable to the total long-term cost of the development.

(v) Require that the removal of gravel for flood management purposes be consistent with an adopted flood hazard reduction plan and with this chapter and allowed only after a

biological and geomorphological study shows that extraction has a long-term benefit to flood hazard reduction, does not result in a net loss of ecological functions, and is part of a comprehensive flood management solution.

(4) **Public access.**

(a) **Applicability.** Public access includes the ability of the general public to reach, touch, and enjoy the water's edge, to travel on the waters of the state, and to view the water and the shoreline from adjacent locations. Public access provisions below apply to all shorelines of the state unless stated otherwise.

(b) **Principles.** Local master programs shall:

(i) Promote and enhance the public interest with regard to rights to access waters held in public trust by the state while protecting private property rights and public safety.

(ii) Protect the rights of navigation and space necessary for water-dependent uses.

(iii) To the greatest extent feasible consistent with the overall best interest of the state and the people generally, protect the public's opportunity to enjoy the physical and aesthetic qualities of shorelines of the state, including views of the water.

(iv) Regulate the design, construction, and operation of permitted uses in the shorelines of the state to minimize, insofar as practical, interference with the public's use of the water.

(c) **Planning process to address public access.** Local governments should plan for an integrated shoreline area public access system that identifies specific public needs and opportunities to provide public access. Such a system can often be more effective and economical than applying uniform public access requirements to all development. This planning should be integrated with other relevant comprehensive plan elements, especially transportation and recreation. The planning process shall also comply with all relevant constitutional and other legal limitations that protect private property rights.

Where a port district or other public entity has incorporated public access planning into its master plan through an open public process, that plan may serve as a portion of the local government's public access planning, provided it meets the provisions of this chapter. The planning may also justify more flexible offsite or special area public access provisions in the master program. Public participation requirements in WAC 173-26-201 (3)(b)(i) apply to public access planning.

At a minimum, the public access planning should result in public access requirements for shoreline permits, recommended projects, port master plans, and/or actions to be taken to develop public shoreline access to shorelines on public property. The planning should identify a variety of shoreline access opportunities and circulation for pedestrians (including disabled persons), bicycles, and vehicles between shoreline access points, consistent with other comprehensive plan elements.

(d) **Standards.** Shoreline master programs should implement the following standards:

(i) Based on the public access planning described in (c) of this subsection, establish policies and regulations that protect and enhance both physical and visual public access. The master program shall address public access on public lands. The master program should seek to increase the amount and

diversity of public access to the state's shorelines consistent with the natural shoreline character, property rights, public rights under the Public Trust Doctrine, and public safety.

(ii) Require that shoreline development by public entities, including local governments, port districts, state agencies, and public utility districts, include public access measures as part of each development project, unless such access is shown to be incompatible due to reasons of safety, security, or impact to the shoreline environment. Where public access planning as described in WAC 173-26-221 (4)(c) demonstrates that a more effective public access system can be achieved through alternate means, such as focusing public access at the most desirable locations, local governments may institute master program provisions for public access based on that approach in lieu of uniform site-by-site public access requirements.

(iii) Provide standards for the dedication and improvement of public access in developments for water-enjoyment, water-related, and nonwater-dependent uses and for the subdivision of land into more than four parcels. In these cases, public access should be required except:

(A) Where the local government provides more effective public access through a public access planning process described in WAC 173-26-221 (4)(c).

(B) Where it is demonstrated to be infeasible due to reasons of incompatible uses, safety, security, or impact to the shoreline environment or due to constitutional or other legal limitations that may be applicable.

In determining the infeasibility, undesirability, or incompatibility of public access in a given situation, local governments shall consider alternate methods of providing public access, such as offsite improvements, viewing platforms, separation of uses through site planning and design, and restricting hours of public access.

(C) For individual single-family residences not part of a development planned for more than four parcels.

(iv) Adopt provisions, such as maximum height limits, setbacks, and view corridors, to minimize the impacts to existing views from public property or substantial numbers of residences. Where there is an irreconcilable conflict between water-dependent shoreline uses or physical public access and maintenance of views from adjacent properties, the water-dependent uses and physical public access shall have priority, unless there is a compelling reason to the contrary.

(v) Assure that public access improvements do not result in a net loss of shoreline ecological functions.

(5) **Shoreline vegetation conservation.**

(a) **Applicability.** Vegetation conservation includes activities to protect and restore vegetation along or near marine and freshwater shorelines that contribute to the ecological functions of shoreline areas. Vegetation conservation provisions include the prevention or restriction of plant clearing and earth grading, vegetation restoration, and the control of invasive weeds and nonnative species.

Unless otherwise stated, vegetation conservation does not include those activities covered under the Washington State Forest Practices Act, except for conversion to other uses and those other forest practice activities over which local governments have authority. As with all master program provisions, vegetation conservation provisions apply even to

those shoreline uses and developments that are exempt from the requirement to obtain a permit. Like other master program provisions, vegetation conservation standards do not apply retroactively to existing uses and structures, such as existing agricultural practices.

(b) **Principles.** The intent of vegetation conservation is to protect and restore the ecological functions and ecosystem-wide processes performed by vegetation along shorelines. Vegetation conservation should also be undertaken to protect human safety and property, to increase the stability of river banks and coastal bluffs, to reduce the need for structural shoreline stabilization measures, to improve the visual and aesthetic qualities of the shoreline, to protect plant and animal species and their habitats, and to enhance shoreline uses.

Master programs shall include: Planning provisions that address vegetation conservation and restoration, and regulatory provisions that address conservation of vegetation; as necessary to assure no net loss of shoreline ecological functions and ecosystem-wide processes, to avoid adverse impacts to soil hydrology, and to reduce the hazard of slope failures or accelerated erosion.

Local governments should address ecological functions and ecosystem-wide processes provided by vegetation as described in WAC 173-26-201 (3)(d)(i).

Local governments may implement these objectives through a variety of measures, where consistent with Shoreline Management Act policy, including clearing and grading regulations, setback and buffer standards, critical area regulations, conditional use requirements for specific uses or areas, mitigation requirements, incentives and nonregulatory programs.

In establishing vegetation conservation regulations, local governments must use available scientific and technical information, as described in WAC 173-26-201 (2)(a). At a minimum, local governments should consult shoreline management assistance materials provided by the department and *Management Recommendations for Washington's Priority Habitats*, prepared by the Washington state department of fish and wildlife where applicable.

Current scientific evidence indicates that the length, width, and species composition of a shoreline vegetation community contribute substantively to the aquatic ecological functions. Likewise, the biota within the aquatic environment is essential to ecological functions of the adjacent upland vegetation. The ability of vegetated areas to provide critical ecological functions diminishes as the length and width of the vegetated area along shorelines is reduced. When shoreline vegetation is removed, the narrower the area of remaining vegetation, the greater the risk that the functions will not be performed.

In the Pacific Northwest, aquatic environments, as well as their associated upland vegetation and wetlands, provide significant habitat for a myriad of fish and wildlife species. Healthy environments for aquatic species are inseparably linked with the ecological integrity of the surrounding terrestrial ecosystem. For example, a nearly continuous corridor of mature forest characterizes the natural riparian conditions of the Pacific Northwest. Riparian corridors along marine shorelines provide many of the same functions as their freshwater counterparts. The most commonly recognized func-

tions of the shoreline vegetation include, but are not limited to:

- Providing shade necessary to maintain the cool temperatures required by salmonids, spawning forage fish, and other aquatic biota.
- Providing organic inputs critical for aquatic life.
- Providing food in the form of various insects and other benthic macroinvertebrates.
- Stabilizing banks, minimizing erosion, and reducing the occurrence of landslides. The roots of trees and other riparian vegetation provide the bulk of this function.
- Reducing fine sediment input into the aquatic environment through storm water retention and vegetative filtering.
- Filtering and vegetative uptake of nutrients and pollutants from ground water and surface runoff.
- Providing a source of large woody debris into the aquatic system. Large woody debris is the primary structural element that functions as a hydraulic roughness element to moderate flows. Large woody debris also serves a pool-forming function, providing critical salmonid rearing and refuge habitat. Abundant large woody debris increases aquatic diversity and stabilization.
- Regulation of microclimate in the stream-riparian and intertidal corridors.
- Providing critical wildlife habitat, including migration corridors and feeding, watering, rearing, and refugia areas.

Sustaining different individual functions requires different widths, compositions and densities of vegetation. The importance of the different functions, in turn, varies with the type of shoreline setting. For example, in forested shoreline settings, periodic recruitment of fallen trees, especially conifers, into the stream channel is an important attribute, critical to natural stream channel maintenance. Therefore, vegetated areas along streams which once supported or could in the future support mature trees should be wide enough to accomplish this periodic recruitment process.

Woody vegetation normally classed as trees may not be a natural component of plant communities in some environments, such as in arid climates and on coastal dunes. In these instances, the width of a vegetated area necessary to achieve the full suite of vegetation-related shoreline functions may not be related to vegetation height.

Local governments should identify which ecological processes and functions are important to the local aquatic and terrestrial ecology and conserve sufficient vegetation to maintain them. Such vegetation conservation areas are not necessarily intended to be closed to use and development but should provide for management of vegetation in a manner adequate to assure no net loss of shoreline ecological functions.

(c) **Standards.** Master programs shall implement the following requirements in shoreline jurisdiction.

Establish vegetation conservation standards that implement the principles in WAC 173-26-221 (5)(b). Methods to do this may include setback or buffer requirements, clearing and grading standards, regulatory incentives, environment designation standards, or other master program provisions. Selective pruning of trees for safety and view protection may be allowed and the removal of noxious weeds should be authorized.

Additional vegetation conservation standards for specific uses are included in WAC 173-26-241(3).

**(6) *Water quality, storm water, and nonpoint pollution.***

**(a) *Applicability.*** The following section applies to all development and uses in shorelines of the state, as defined in WAC 173-26-020, that affect water quality.

**(b) *Principles.*** Shoreline master programs shall, as stated in RCW 90.58.020, protect against adverse impacts to the public health, to the land and its vegetation and wildlife, and to the waters of the state and their aquatic life, through implementation of the following principles:

(i) Prevent impacts to water quality and storm water quantity that would result in a net loss of shoreline ecological functions, or a significant impact to aesthetic qualities, or recreational opportunities.

(ii) Ensure mutual consistency between shoreline management provisions and other regulations that address water quality and storm water quantity, including public health, storm water, and water discharge standards. The regulations that are most protective of ecological functions shall apply.

**(c) *Standards.*** Shoreline master programs shall include provisions to implement the principles of this section.

AMENDATORY SECTION (Amending Order 03-02, filed 12/17/03, effective 1/17/04)

**WAC 173-26-241 Shoreline uses. (1) *Applicability.***

The provisions in this section apply to specific common uses and types of development to the extent they occur within shoreline jurisdiction. Master programs should include these, where applicable, and should include specific use provisions for other common uses and types of development in the jurisdiction. All uses and development must be consistent with the provisions of the environment designation in which they are located and the general regulations of the master program.

**(2) *General use provisions.***

**(a) *Principles.*** Shoreline master programs shall implement the following principles:

(i) Establish a system of use regulations and environment designation provisions consistent with WAC 173-26-201(2)(d) and 173-26-211 that gives preference to those uses that are consistent with the control of pollution and prevention of damage to the natural environment, or are unique to or dependent upon uses of the state's shoreline areas.

(ii) Ensure that all shoreline master program provisions concerning proposed development of property are established, as necessary, to protect the public's health, safety, and welfare, as well as the land and its vegetation and wildlife, and to protect property rights while implementing the policies of the Shoreline Management Act.

(iii) Reduce use conflicts by including provisions to prohibit or apply special conditions to those uses which are not consistent with the control of pollution and prevention of damage to the natural environment or are not unique to or dependent upon use of the state's shoreline. In implementing this provision, preference shall be given first to water-dependent uses, then to water-related uses and water-enjoyment uses.

(iv) Establish use regulations designed to assure no net loss of ecological functions associated with the shoreline.

**(b) *Conditional uses.***

(i) Master programs shall define the types of uses and development that require shoreline conditional use permits pursuant to RCW 90.58.100(5). Requirements for a conditional use permit may be used for a variety of purposes, including:

- To effectively address unanticipated uses that are not classified in the master program as described in WAC 173-27-030.

- To address cumulative impacts.

- To provide the opportunity to require specially tailored environmental analysis or design criteria for types of use or development that may otherwise be inconsistent with a specific environment designation within a master program or with the Shoreline Management Act policies.

In these cases, allowing a given use as a conditional use could provide greater flexibility within the master program than if the use were prohibited outright.

(ii) If master programs permit the following types of uses and development, they should require a conditional use permit:

(A) Uses and development that may significantly impair or alter the public's use of the water areas of the state.

(B) Uses and development which, by their intrinsic nature, may have a significant ecological impact on shoreline ecological functions or shoreline resources depending on location, design, and site conditions.

(C) Development and uses in critical saltwater habitats.

(D) New and expanded commercial geoduck aquaculture as described in subsection (3)(b)(ii)(B)(I) of this section.

(ii) The provisions of this section are minimum requirements and are not intended to limit local government's ability to identify other uses and developments within the master program as conditional uses where necessary or appropriate.

**(3) *Standards.*** Master programs shall establish a comprehensive program of use regulations for shorelines and shall incorporate provisions for specific uses consistent with the following as necessary to assure consistency with the policy of the act and where relevant within the jurisdiction.

**(a) *Agriculture.***

(i) For the purposes of this section, the terms agricultural activities, agricultural products, agricultural equipment and facilities and agricultural land shall have the specific meanings as provided in WAC 173-26-020.

(ii) Master programs shall not require modification of or limit agricultural activities occurring on agricultural lands. In jurisdictions where agricultural activities occur, master programs shall include provisions addressing new agricultural activities on land not meeting the definition of agricultural land, conversion of agricultural lands to other uses, and other development on agricultural land that does not meet the definition of agricultural activities.

(iii) Nothing in this section limits or changes the terms of the current exception to the definition of substantial development. A substantial development permit is required for any agricultural development not specifically exempted by the provisions of RCW 90.58.030 (3)(e)(iv).

(iv) Master programs shall use definitions consistent with the definitions found in WAC 173-26-020(3).

(v) New agricultural activities are activities that meet the definition of agricultural activities but are proposed on land not currently in agricultural use. Master programs shall include provisions for new agricultural activities to assure that:

(A) Specific uses and developments in support of agricultural use are consistent with the environment designation in which the land is located.

(B) Agricultural uses and development in support of agricultural uses, are located and designed to assure no net loss of ecological functions and to not have a significant adverse impact on other shoreline resources and values.

Measures appropriate to meet these requirements include provisions addressing water quality protection, and vegetation conservation, as described in WAC 173-26-220 (5) and (6). Requirements for buffers for agricultural development shall be based on scientific and technical information and management practices adopted by the applicable state agencies necessary to preserve the ecological functions and qualities of the shoreline environment.

(vi) Master programs shall include provisions to assure that development on agricultural land that does not meet the definition of agricultural activities, and the conversion of agricultural land to nonagricultural uses, shall be consistent with the environment designation, and the general and specific use regulations applicable to the proposed use and do not result in a net loss of ecological functions associated with the shoreline.

(b) **Aquaculture.** ~~((Aquaculture is the culture or farming of food fish, shellfish, or other aquatic plants and animals. This activity is of statewide interest. Properly managed, it can result in long-term over short-term benefit and can protect the resources and ecology of the shoreline.))~~ Aquaculture ~~((is dependent on the use of the water area and)),~~ when consistent with control of pollution and prevention of damage to the natural environment and when it is a water-dependent use, is a preferred use of the ~~((water area))~~ aquatic environment. Local government should consider local ecological conditions and provide limits and conditions to assure appropriate compatible types of aquaculture for the local conditions as necessary to assure no net loss of ecological functions.

~~((Potential locations for aquaculture are relatively restricted due to specific requirements for water quality, temperature, flows, oxygen content, adjacent land uses, wind protection, commercial navigation, and, in marine waters, salinity. The technology associated with some forms of present-day aquaculture is still in its formative stages and experimental. Local shoreline master programs should therefore recognize the necessity for some latitude in the development of this use as well as its potential impact on existing uses and natural systems.))~~

Aquaculture should not be permitted in areas where it would ~~((result in a net loss of ecological functions,))~~ adversely impact ~~((eelgrass and macroalgae))~~ critical areas or critical resource areas, suspend contaminated sediments that exceed state sediment standards, or ((significantly)) conflict with navigation and other water-dependent uses. ~~((Aquacultural facilities))~~ Aquaculture should be designed and located so as not to spread disease to native aquatic life, establish new nonnative species ~~((which cause significant ecological~~

~~impacts)),~~ or significantly impact the aesthetic qualities of the shoreline. Impacts to ecological functions shall be mitigated according to the mitigation sequence described in WAC ~~((173-26-020))~~ 173-26-201 (2)(e).

Potential locations for aquaculture are relatively restricted due to specific requirements for water quality, temperature, flows, oxygen content, adjacent land uses, wind protection, commercial navigation, and, in marine waters, salinity. The technology associated with some forms of present-day aquaculture is still in its formative stages and experimental. Local shoreline master programs should therefore recognize the necessity for some latitude in the development of this use as well as its potential impact on existing uses and natural systems.

(i) Local government should ensure proper management of upland uses to avoid degradation of water quality of existing shellfish areas.

(ii) Additional provisions for commercial geoduck aquaculture.

(A) Siting.

Commercial geoduck aquaculture should be located where water quality meets department of health certification requirements, and sediments, topography, land and water access support geoduck aquaculture operations without modification of the site such as grading or rock removal.

(B) Conditional use permit.

(I) Conditional use permits are required for any new commercial geoduck aquaculture in areas that have not been previously planted with geoduck, including the expansion of existing geoduck aquaculture planting area beyond that previously used for commercial geoduck aquaculture. In addition, a conditional use permit is required when changes to existing commercial geoduck aquaculture operations result in a new significant adverse impact.

Where the applicant proposes to convert existing non-geoduck aquaculture to geoduck aquaculture, the requirement for a conditional use permit is at the discretion of local government, unless the area of planting is new or being expanded as described above.

A single conditional use permit may be submitted for multiple sites within an inlet, bay or other defined feature, provided the sites are all under control of the same applicant and within the same shoreline permitting jurisdiction.

Conditional use permits shall be effective for five years unless extended for one year pursuant to WAC 173-27-090(2). Any subsequent plantings beyond this time frame shall require a new conditional use permit.

Conditional use permits apply to any subsequent harvesting of permitted plantings. Conditional use permits must take into account that commercial geoduck operators have a right to harvest geoduck once planted.

Per WAC 173-27-090(3), permit time periods in this subsection do not include the time during which geoduck could not be planted due to the pendency of administrative appeals or legal actions or due to the need to obtain any other government permits and approvals.

(II) Conditional use permit application requirements, review and approval.

Commercial geoduck aquaculture conditional use permit and enforcement procedures shall comply with all applicable sections of chapter 173-27 WAC.

Local governments are encouraged to develop conditional use permit applications that mirror federal or state permit applications to minimize redundancy between federal, state and local commercial geoduck aquaculture permit application requirements.

In addition to complying with chapter 173-27 WAC, the application must contain:

- A narrative description and timeline for all geoduck planting and harvesting activities anticipated within the permit period if not already contained in the federal or state permit application or comparable information mentioned above.

- A baseline survey of the proposed site to allow consideration of the ecological effects if not already contained in the federal or state permit application or comparable information mentioned above.

- Copies of department of fish and wildlife harvest records for the site, if they exist.

- Any monitoring or reporting requirements set by the local government.

- And, if not contained in the provided federal or state permit documents or comparable information:

- Measures to achieve no net loss of ecological function consistent with the mitigation sequence described in WAC-173-26-201 (2)(e).

- Measures to ensure public access to publicly owned lands and waters will be maintained.

- Management practices that address impacts from mooring, parking, noise, lights, litter, and other activities associated with geoduck planting and harvesting operations.

Local governments should provide public notice to all property owners within three hundred feet of the proposed project boundary.

(III) Commercial geoduck aquaculture conditional use permit limits and conditions.

Local governments should set forth conditional use permit limits and conditions and follow the mitigation sequence adopted consistent with WAC 173-26-201 (2)(e) to assure no net loss of ecological functions.

Commercial geoduck aquaculture workers accomplish on-site work during low tides, which may occur at night or on weekends. Local governments must allow work during low tides but may require limits and conditions to reduce impacts, such as noise and lighting, to adjacent existing uses.

Local governments should establish monitoring and reporting requirements necessary to verify that geoduck aquaculture operations are in compliance with shoreline limits and conditions set forth in conditional use permits and to support cumulative impacts analysis.

Conditional use permits should be reviewed using the best scientific and technical information available.

Local governments should apply best management practices such as buffers to accomplish the intent of the limits and conditions.

At a minimum, conditional use permit limits and conditions shall include, where applicable and appropriate:

- Prohibiting or limiting the practice of placing tanks or pools or other impervious materials directly on the intertidal sediments.

- Prohibiting or limiting the use of trucks, tractors, fork-lifts, and other motorized equipment below the ordinary high water mark and requiring that such equipment, when authorized, use a single identified lane to cross the upper intertidal to minimize impacts.

- Limiting on-site activities during specific periods to minimize impacts on fish and wildlife.

- Limiting alterations to the natural condition of the site, including removal of vegetation or rocks, regrading of the natural slope and sediments or redirecting freshwater flows.

- Limiting the area of the site that can be planted or harvested at one time, to limit the areal extent of impacts.

- Limiting the portion of a site that can be covered by predator exclusion devices at any one time.

- Requiring compliance with the Washington department of fish and wildlife shellfish transfer permitting system to minimize the risk of transferring or introducing parasites and disease into areas where they currently do not exist.

- Requiring installation of property corner markers that are visible at low tide.

- Requiring buffers between geoduck operations and sensitive habitat features like critical saltwater habitats.

- Requiring measures to minimize impacts to fish and wildlife.

- Requiring the use of predator exclusion devices with minimal adverse ecological effects and requiring that they be removed as soon as they are no longer needed for predator exclusion.

- Requiring the use of the best available methods to minimize turbid runoff from the water jets used to harvest geoducks.

- Establishing limits on the number of barges or vessels that can be moored or beached at the site as well as duration limits.

- Requiring measures to minimize impacts to navigation, including recreational uses of the water over the site at high tide.

- Requiring good housekeeping practices at geoduck aquaculture sites, including removing equipment, tools, extra materials and all wastes at the end of each working day.

**(c) Boating facilities.** For the purposes of this chapter, "boating facilities" excludes docks serving four or fewer single-family residences. Shoreline master programs shall contain provisions to assure no net loss of ecological functions as a result of development of boating facilities while providing the boating public recreational opportunities on waters of the state.

Where applicable, shoreline master programs should, at a minimum, contain:

(i) Provisions to ensure that boating facilities are located only at sites with suitable environmental conditions, shoreline configuration, access, and neighboring uses.

(ii) Provisions that assure that facilities meet health, safety, and welfare requirements. Master programs may reference other regulations to accomplish this requirement.

(iii) Regulations to avoid, or if that is not possible, to mitigate aesthetic impacts.

(iv) Provisions for public access in new marinas, particularly where water-enjoyment uses are associated with the marina, in accordance with WAC 173-26-221(4).

(v) Regulations to limit the impacts to shoreline resources from boaters living in their vessels (live-aboard).

(vi) Regulations that assure that the development of boating facilities, and associated and accessory uses, will not result in a net loss of shoreline ecological functions or other significant adverse impacts.

(vii) Regulations to protect the rights of navigation.

(viii) Regulations restricting vessels from extended mooring on waters of the state except as allowed by applicable state regulations and unless a lease or permission is obtained from the state and impacts to navigation and public access are mitigated.

(d) **Commercial development.** Master programs shall first give preference to water-dependent commercial uses over nonwater-dependent commercial uses; and second, give preference to water-related and water-enjoyment commercial uses over nonwater-oriented commercial uses.

The design, layout and operation of certain commercial uses directly affects their classification with regard to whether or not they qualify as water-related or water-enjoyment uses. Master programs shall assure that commercial uses that may be authorized as water-related or water-enjoyment uses are required to incorporate appropriate design and operational elements so that they meet the definition of water-related or water-enjoyment uses.

Master programs should require that public access and ecological restoration be considered as potential mitigation of impacts to shoreline resources and values for all water-related or water-dependent commercial development unless such improvements are demonstrated to be infeasible or inappropriate. Where commercial use is proposed for location on land in public ownership, public access should be required. Refer to WAC 173-26-221(4) for public access provisions.

Master programs should prohibit nonwater-oriented commercial uses on the shoreline unless they meet the following criteria:

(i) The use is part of a mixed-use project that includes water-dependent uses and provides a significant public benefit with respect to the Shoreline Management Act's objectives such as providing public access and ecological restoration; or

(ii) Navigability is severely limited at the proposed site; and the commercial use provides a significant public benefit with respect to the Shoreline Management Act's objectives such as providing public access and ecological restoration.

In areas designated for commercial use, nonwater-oriented commercial development may be allowed if the site is physically separated from the shoreline by another property or public right of way.

Nonwater-dependent commercial uses should not be allowed over water except in existing structures or in the limited instances where they are auxiliary to and necessary in support of water-dependent uses.

Master programs shall assure that commercial development will not result in a net loss of shoreline ecological functions or have significant adverse impact to other shoreline uses, resources and values provided for in RCW 90.58.020 such as navigation, recreation and public access.

(e) **Forest practices.** Local master programs should rely on the Forest Practices Act and rules implementing the act and the *Forest and Fish Report* as adequate management of commercial forest uses within shoreline jurisdiction. However, local governments shall, where applicable, apply this chapter to Class IV-General forest practices where shorelines are being converted or are expected to be converted to non-forest uses.

Forest practice conversions and other Class IV-General forest practices where there is a likelihood of conversion to nonforest uses, shall assure no net loss of shoreline ecological functions and shall maintain the ecological quality of the watershed's hydrologic system. Master programs shall establish provisions to ensure that all such practices are conducted in a manner consistent with the master program environment designation provisions and the provisions of this chapter. Applicable shoreline master programs should contain provisions to ensure that when forest lands are converted to another use, there will be no net loss of shoreline ecological functions or significant adverse impacts to other shoreline uses, resources and values provided for in RCW 90.58.020 such as navigation, recreation and public access.

Master programs shall implement the provisions of RCW 90.58.150 regarding selective removal of timber harvest on shorelines of statewide significance. Exceptions to this standard shall be by conditional use permit only.

Lands designated as "forest lands" pursuant to RCW 36.70A.170 shall be designated consistent with either the "natural," "rural conservancy," environment designation.

Where forest practices fall within the applicability of the Forest Practices Act, local governments should consult with the department of natural resources, other applicable agencies, and local timber owners and operators.

(f) **Industry.** Master programs shall first give preference to water-dependent industrial uses over nonwater-dependent industrial uses; and second, give preference to water-related industrial uses over nonwater-oriented industrial uses.

Regional and statewide needs for water-dependent and water-related industrial facilities should be carefully considered in establishing master program environment designations, use provisions, and space allocations for industrial uses and supporting facilities. Lands designated for industrial development should not include shoreline areas with severe environmental limitations, such as critical areas and critical resource areas.

Where industrial development is allowed, master programs shall include provisions that assure that industrial development will be located, designed, or constructed in a manner that assures no net loss of shoreline ecological functions and such that it does not have significant adverse impacts to other shoreline resources and values.

Master programs should require that industrial development consider incorporating public access as mitigation for impacts to shoreline resources and values unless public access cannot be provided in a manner that does not result in significant interference with operations or hazards to life or property, as provided in WAC 173-26-221(4).

Where industrial use is proposed for location on land in public ownership, public access should be required. Indus-

trial development and redevelopment should be encouraged to locate where environmental cleanup and restoration of the shoreline area can be incorporated. New nonwater-oriented industrial development should be prohibited on shorelines except when:

- (i) The use is part of a mixed-use project that includes water-dependent uses and provides a significant public benefit with respect to the Shoreline Management Act's objectives such as providing public access and ecological restoration; or
- (ii) Navigability is severely limited at the proposed site; and the industrial use provides a significant public benefit with respect to the Shoreline Management Act's objectives such as providing public access and ecological restoration.

In areas designated for industrial use, nonwater-oriented industrial uses may be allowed if the site is physically separated from the shoreline by another property or public right of way.

(g) **In-stream structural uses.** "In-stream structure" means a structure placed by humans within a stream or river waterward of the ordinary high-water mark that either causes or has the potential to cause water impoundment or the diversion, obstruction, or modification of water flow. In-stream structures may include those for hydroelectric generation, irrigation, water supply, flood control, transportation, utility service transmission, fish habitat enhancement, or other purpose.

In-stream structures shall provide for the protection and preservation, of ecosystem-wide processes, ecological functions, and cultural resources, including, but not limited to, fish and fish passage, wildlife and water resources, shoreline critical areas and critical resource areas, hydrogeological processes, and natural scenic vistas. The location and planning of in-stream structures shall give due consideration to the full range of public interests, watershed functions and processes, and environmental concerns, with special emphasis on protecting and restoring priority habitats and species.

(h) **Mining.** Mining is the removal of sand, gravel, soil, minerals, and other earth materials for commercial and other uses. Historically, the most common form of mining in shoreline areas is for sand and gravel because of the geomorphic association of rivers and sand and gravel deposits. Mining in the shoreline generally alters the natural character, resources, and ecology of shorelines of the state and may impact critical shoreline resources and ecological functions of the shoreline. However, in some circumstances, mining may be designed to have benefits for shoreline resources, such as creation of off channel habitat for fish or habitat for wildlife. Activities associated with shoreline mining, such as processing and transportation, also generally have the potential to impact shoreline resources unless the impacts of those associated activities are evaluated and properly managed in accordance with applicable provisions of the master program.

A shoreline master program should accomplish two purposes in addressing mining. First, identify where mining may be an appropriate use of the shoreline, which is addressed in this section and in the environment designation sections above. Second, ensure that when mining or associated activities in the shoreline are authorized, those activities will be properly sited, designed, conducted, and completed so that it will cause no net loss of ecological functions of the shoreline.

(i) Identification of shoreline areas where mining may be designated as appropriate shall:

(A) Be consistent with the environment designation provisions of WAC 173-26-211 and where applicable WAC 173-26-251(2) regarding shorelines of statewide significance; and

(B) Be consistent with local government designation of mineral resource lands with long-term significance as provided for in RCW 36.70A.170 (1)(c), 36.70A.130, and 36.70A.131; and

(C) Be based on a showing that mining is dependent on a shoreline location in the city or county, or portion thereof, which requires evaluation of geologic factors such as the distribution and availability of mineral resources for that jurisdiction, as well as evaluation of need for such mineral resources, economic, transportation, and land use factors. This showing may rely on analysis or studies prepared for purposes of GMA designations, be integrated with any relevant environmental review conducted under SEPA (chapter 43.21C RCW), or otherwise be shown in a manner consistent with RCW 90.58.100(1) and WAC 173-26-201 (2)(a).

(ii) Master programs shall include policies and regulations for mining, when authorized, that accomplish the following:

(A) New mining and associated activities shall be designed and conducted to comply with the regulations of the environment designation and the provisions applicable to critical areas and critical resource areas where relevant. Accordingly, meeting the no net loss of ecological function standard shall include avoidance and mitigation of adverse impacts during the course of mining and reclamation. It is appropriate, however, to determine whether there will be no net loss of ecological function based on evaluation of final reclamation required for the site. Preference shall be given to mining proposals that result in the creation, restoration, or enhancement of habitat for priority species.

(B) Master program provisions and permit requirements for mining should be coordinated with the requirements of chapter 78.44 RCW.

(C) Master programs shall assure that proposed subsequent use of mined property is consistent with the provisions of the environment designation in which the property is located and that reclamation of disturbed shoreline areas provides appropriate ecological functions consistent with the setting.

(D) Mining within the active channel or channels (a location waterward of the ordinary high-water mark) of a river shall not be permitted unless:

(I) Removal of specified quantities of sand and gravel or other materials at specific locations will not adversely affect the natural processes of gravel transportation for the river system as a whole; and

(II) The mining and any associated permitted activities will not have significant adverse impacts to habitat for priority species nor cause a net loss of ecological functions of the shoreline.

(III) The determinations required by (h)(ii)(D)(I) and (II) of this subsection shall be made consistent with RCW 90.58.100(1) and WAC 173-26-201 (2)(a). Such evaluation of impacts should be appropriately integrated with relevant

environmental review requirements of SEPA (chapter 43.21C RCW) and the SEPA rules (chapter 197-11 WAC).

(IV) In considering renewal, extension or reauthorization of gravel bar and other in-channel mining operations in locations where they have previously been conducted, local government shall require compliance with this subsection (D) to the extent that no such review has previously been conducted. Where there has been prior review, local government shall review previous determinations comparable to the requirements of this section to assure compliance with this subsection (D) under current site conditions.

(V) The provisions of this section do not apply to dredging of authorized navigation channels when conducted in accordance with WAC 173-26-231 (3)(f).

(E) Mining within any channel migration zone that is within Shoreline Management Act jurisdiction shall require a shoreline conditional use permit.

(i) **Recreational development.** Recreational development includes commercial and public facilities designed and used to provide recreational opportunities to the public. Master programs should assure that shoreline recreational development is given priority and is primarily related to access to, enjoyment and use of the water and shorelines of the state. Commercial recreational development should be consistent with the provisions for commercial development in (d) of this subsection. Provisions related to public recreational development shall assure that the facilities are located, designed and operated in a manner consistent with the purpose of the environment designation in which they are located and such that no net loss of shoreline ecological functions or ecosystem-wide processes results.

In accordance with RCW 90.58.100(4), master program provisions shall reflect that state-owned shorelines are particularly adapted to providing wilderness beaches, ecological study areas, and other recreational uses for the public and give appropriate special consideration to the same.

For all jurisdictions planning under the Growth Management Act, master program recreation policies shall be consistent with growth projections and level-of-service standards established by the applicable comprehensive plan.

(j) **Residential development.** Single-family residences are the most common form of shoreline development and are identified as a priority use when developed in a manner consistent with control of pollution and prevention of damage to the natural environment. Without proper management, single-family residential use can cause significant damage to the shoreline area through cumulative impacts from shoreline armoring, storm water runoff, septic systems, introduction of pollutants, and vegetation modification and removal. Residential development also includes multifamily development and the creation of new residential lots through land division.

Master programs shall include policies and regulations that assure no net loss of shoreline ecological functions will result from residential development. Such provisions should include specific regulations for setbacks and buffer areas, density, shoreline armoring, vegetation conservation requirements, and, where applicable, on-site sewage system standards for all residential development and uses and applicable to divisions of land in shoreline jurisdiction.

Residential development, including appurtenant structures and uses, should be sufficiently set back from steep slopes and shorelines vulnerable to erosion so that structural improvements, including bluff walls and other stabilization structures, are not required to protect such structures and uses. (See RCW 90.58.100(6).)

New over-water residences, including floating homes, are not a preferred use and should be prohibited. It is recognized that certain existing communities of floating and/or over-water homes exist and should be reasonably accommodated to allow improvements associated with life safety matters and property rights to be addressed provided that any expansion of existing communities is the minimum necessary to assure consistency with constitutional and other legal limitations that protect private property.

New multiunit residential development, including the subdivision of land for more than four parcels, should provide community and/or public access in conformance to the local government's public access planning and this chapter.

Master programs shall include standards for the creation of new residential lots through land division that accomplish the following:

(i) Plats and subdivisions must be designed, configured and developed in a manner that assures that no net loss of ecological functions results from the plat or subdivision at full build-out of all lots.

(ii) Prevent the need for new shoreline stabilization or flood hazard reduction measures that would cause significant impacts to other properties or public improvements or a net loss of shoreline ecological functions.

(iii) Implement the provisions of WAC 173-26-211 and 173-26-221.

(k) **Transportation and parking.** Master programs shall include policies and regulations to provide safe, reasonable, and adequate circulation systems to, and through or over shorelines where necessary and otherwise consistent with these guidelines.

Transportation and parking plans and projects shall be consistent with the master program public access policies, public access plan, and environmental protection provisions.

Circulation system planning shall include systems for pedestrian, bicycle, and public transportation where appropriate. Circulation planning and projects should support existing and proposed shoreline uses that are consistent with the master program.

Plan, locate, and design proposed transportation and parking facilities where routes will have the least possible adverse effect on unique or fragile shoreline features, will not result in a net loss of shoreline ecological functions or adversely impact existing or planned water-dependent uses. Where other options are available and feasible, new roads or road expansions should not be built within shoreline jurisdiction.

Parking facilities in shorelines are not a preferred use and shall be allowed only as necessary to support an authorized use. Shoreline master programs shall include policies and regulations to minimize the environmental and visual impacts of parking facilities.

(l) **Utilities.** These provisions apply to services and facilities that produce, convey, store, or process power, gas,

sewage, communications, oil, waste, and the like. On-site utility features serving a primary use, such as a water, sewer or gas line to a residence, are "accessory utilities" and shall be considered a part of the primary use.

Master programs shall include provisions to assure that:

All utility facilities are designed and located to assure no net loss of shoreline ecological functions, preserve the natural landscape, and minimize conflicts with present and planned land and shoreline uses while meeting the needs of future populations in areas planned to accommodate growth.

Utility production and processing facilities, such as power plants and sewage treatment plants, or parts of those facilities, that are nonwater-oriented shall not be allowed in shoreline areas unless it can be demonstrated that no other feasible option is available.

Transmission facilities for the conveyance of services, such as power lines, cables, and pipelines, shall be located outside of the shoreline area where feasible and when necessarily located within the shoreline area shall assure no net loss of shoreline ecological functions.

Utilities should be located in existing rights of way and corridors whenever possible.

Development of pipelines and cables on tidelands, particularly those running roughly parallel to the shoreline, and development of facilities that may require periodic maintenance which disrupt shoreline ecological functions should be discouraged except where no other feasible alternative exists. When permitted, provisions shall assure that the facilities do not result in a net loss of shoreline ecological functions or significant impacts to other shoreline resources and values.

**AMENDATORY SECTION** (Amending Order 95-17a, filed 11/29/00, effective 12/30/00)

**WAC 173-26-360 Ocean management.** (1) Purpose and intent. This section implements the Ocean Resources Management Act, (RCW 43.143.005 through 43.143.030) enacted in 1989 by the Washington state legislature. The law requires the department of ecology to develop guidelines and policies for the management of ocean uses and to serve as the basis for evaluation and modification of local shoreline management master programs of coastal local governments in Jefferson, Clallam, Grays Harbor, and Pacific counties. The guidelines are intended to clarify state shoreline management policy regarding use of coastal resources, address evolving interest in ocean development and prepare state and local agencies for new ocean developments and activities.

(2) Geographical application. The guidelines apply to Washington's coastal waters from Cape Disappointment at the mouth of the Columbia River north one hundred sixty miles to Cape Flattery at the entrance to the Strait of Juan De Fuca including the offshore ocean area, the near shore area under state ownership, shorelines of the state, and their adjacent uplands. Their broadest application would include an area seaward two hundred miles (RCW 43.143.020) and landward to include those uplands immediately adjacent to land under permit jurisdiction for which consistent planning is required under RCW 90.58.340. The guidelines address uses occurring in Washington's coastal waters, but not impacts generated from activities offshore of Oregon,

Alaska, California, or British Columbia or impacts from Washington's offshore on the Strait of Juan de Fuca or other inland marine waters.

(3) Ocean uses defined. Ocean uses are activities or developments involving renewable and/or nonrenewable resources that occur on Washington's coastal waters and includes their associated off shore, near shore, inland marine, shoreland, and upland facilities and the supply, service, and distribution activities, such as crew ships, circulating to and between the activities and developments. Ocean uses involving nonrenewable resources include such activities as extraction of oil, gas and minerals, energy production, disposal of waste products, and salvage. Ocean uses which generally involve sustainable use of renewable resources include commercial, recreational, and tribal fishing, aquaculture, recreation, shellfish harvesting, and pleasure craft activity.

(4) Relationship to existing management programs. These guidelines augment existing requirements of the Shoreline Management Act, chapter 90.58 RCW, and those chapters in Title 173 of the Washington Administrative Code that implement the act. They are not intended to modify current resource allocation procedures or regulations administered by other agencies, such as the Washington department of fisheries management of commercial, recreational, and tribal fisheries. They are not intended to regulate recreational uses or currently existing commercial uses involving fishing or other renewable marine or ocean resources. Every effort will be made to take into account tribal interests and programs in the guidelines and master program amendment processes. After inclusion in the state coastal zone management program, these guidelines and resultant master programs will be used for federal consistency purposes in evaluating federal permits and activities in Washington's coastal waters. Participation in the development of these guidelines and subsequent amendments to master programs will not preclude state and local government from opposing the introduction of new uses, such as oil and gas development.

These and other statutes, documents, and regulations referred to or cited in these rules may be reviewed at the department of ecology, headquarters in Lacey, Washington, for which the mailing address is ((Mailstop PV-11)) P.O. Box 47600, Olympia, WA 98504. The physical address is 300 Desmond Drive S.E., Lacey, WA 98503.

(5) Regional approach. The guidelines are intended to foster a regional perspective and consistent approach for the management of ocean uses. While local governments may have need to vary their programs to accommodate local circumstances, local government should attempt and the department will review local programs for compliance with these guidelines and chapter ((173-16)) 173-26 WAC: Shoreline Management Act guidelines for development of master programs. It is recognized that further amendments to the master programs may be required to address new information on critical and sensitive habitats and environmental impacts of ocean uses or to address future activities, such as oil development. In addition to the criteria in RCW 43.143.030, these guidelines apply to ocean uses until local master program amendments are adopted. The amended master program shall be the basis for review of an action that is either located exclusively in, or its environmental impacts confined to, one

county. Where a proposal clearly involves more than one local jurisdiction, the guidelines shall be applied and remain in effect in addition to the provisions of the local master programs.

(6) Permit criteria: Local government and the department may permit ocean or coastal uses and activities as a substantial development, variance or conditional use only if the criteria of RCW 43.143.030(2) listed below are met or exceeded:

(a) There is a demonstrated significant local, state, or national need for the proposed use or activity;

(b) There is no reasonable alternative to meet the public need for the proposed use or activity;

(c) There will be no likely long-term significant adverse impacts to coastal or marine resources or uses;

(d) All reasonable steps are taken to avoid and minimize adverse environmental impacts, with special protection provided for the marine life and resources of the Columbia River, Willapa Bay and Grays Harbor estuaries, and Olympic National Park;

(e) All reasonable steps are taken to avoid and minimize adverse social and economic impacts, including impacts on aquaculture, recreation, tourism, navigation, air quality, and recreational, commercial, and tribal fishing;

(f) Compensation is provided to mitigate adverse impacts to coastal resources or uses;

(g) Plans and sufficient performance bonding are provided to ensure that the site will be rehabilitated after the use or activity is completed; and

(h) The use or activity complies with all applicable local, state, and federal laws and regulations.

(7) General ocean uses guidelines. The following guidelines apply to all ocean uses, their service, distribution, and supply activities and their associated facilities that require shoreline permits.

(a) Ocean uses and activities that will not adversely impact renewable resources shall be given priority over those that will. Correspondingly, ocean uses that will have less adverse impacts on renewable resources shall be given priority over uses that will have greater adverse impacts.

(b) Ocean uses that will have less adverse social and economic impacts on coastal uses and communities should be given priority over uses and activities that will have more such impacts.

(c) When the adverse impacts are generally equal, the ocean use that has less probable occurrence of a disaster should be given priority.

(d) The alternatives considered to meet a public need for a proposed use should be commensurate with the need for the proposed use. For example, if there is a demonstrated national need for a proposed use, then national alternatives should be considered.

(e) Chapter 197-11 WAC (SEPA rules) provides guidance in the application of the permit criteria and guidelines of this section. The range of impacts to be considered should be consistent with WAC 197-11-060 (4)(e) and 197-11-792 (2)(c). The determination of significant adverse impacts should be consistent with WAC 197-11-330(3) and 197-11-794. The sequence of actions described in WAC 197-11-768

should be used as an order of preference in evaluating steps to avoid and minimize adverse impacts.

(f) Impacts on commercial resources, such as the crab fishery, on noncommercial resources, such as environmentally critical and sensitive habitats, and on coastal uses, such as loss of equipment or loss of a fishing season, should be considered in determining compensation to mitigate adverse environmental, social and economic impacts to coastal resources and uses.

(g) Allocation of compensation to mitigate adverse impacts to coastal resources or uses should be based on the magnitude and/or degree of impact on the resource, jurisdiction and use.

(h) Rehabilitation plans and bonds prepared for ocean uses should address the effects of planned and unanticipated closures, completion of the activity, reasonably anticipated disasters, inflation, new technology, and new information about the environmental impacts to ensure that state of the art technology and methods are used.

(i) Local governments should evaluate their master programs and select the environment(s) for coastal waters that best meets the intent of chapter ((473-16)) 173-26 WAC, these guidelines and chapter 90.58 RCW.

(j) Ocean uses and their associated coastal or upland facilities should be located, designed and operated to prevent, avoid, and minimize adverse impacts on migration routes and habitat areas of species listed as endangered or threatened, environmentally critical and sensitive habitats such as breeding, spawning, nursery, foraging areas and wetlands, and areas of high productivity for marine biota such as upwelling and estuaries.

(k) Ocean uses should be located to avoid adverse impacts on proposed or existing environmental and scientific preserves and sanctuaries, parks, and designated recreation areas.

(l) Ocean uses and their associated facilities should be located and designed to avoid and minimize adverse impacts on historic or culturally significant sites in compliance with chapter 27.34 RCW. Permits in general should contain special provisions that require permittees to comply with chapter 27.53 RCW if any ((archeological)) archaeological sites or ((archeological)) archaeological objects such as artifacts and shipwrecks are discovered.

(m) Ocean uses and their distribution, service, and supply vessels and aircraft should be located, designed, and operated in a manner that minimizes adverse impacts on fishing grounds, aquatic lands, or other renewable resource ocean use areas during the established, traditional, and recognized times they are used or when the resource could be adversely impacted.

(n) Ocean use service, supply, and distribution vessels and aircraft should be routed to avoid environmentally critical and sensitive habitats such as sea stacks and wetlands, preserves, sanctuaries, bird colonies, and migration routes, during critical times those areas or species could be affected.

(o) In locating and designing associated onshore facilities, special attention should be given to the environment, the characteristics of the use, and the impact of a probable disaster, in order to assure adjacent uses, habitats, and communi-

ties adequate protection from explosions, spills, and other disasters.

(p) Ocean uses and their associated facilities should be located and designed to minimize impacts on existing water dependent businesses and existing land transportation routes to the maximum extent feasible.

(q) Onshore facilities associated with ocean uses should be located in communities where there is adequate sewer, water, power, and streets. Within those communities, if space is available at existing marine terminals, the onshore facilities should be located there.

(r) Attention should be given to the scheduling and method of constructing ocean use facilities and the location of temporary construction facilities to minimize impacts on tourism, recreation, commercial fishing, local communities, and the environment.

(s) Special attention should be given to the effect that ocean use facilities will have on recreational activities and experiences such as public access, aesthetics, and views.

(t) Detrimental effects on air and water quality, tourism, recreation, fishing, aquaculture, navigation, transportation, public infrastructure, public services, and community culture should be considered in avoiding and minimizing adverse social and economic impacts.

(u) Special attention should be given to designs and methods that prevent, avoid, and minimize adverse impacts such as noise, light, temperature changes, turbidity, water pollution and contaminated sediments on the marine, estuarine or upland environment. Such attention should be given particularly during critical migration periods and life stages of marine species and critical oceanographic processes.

(v) Preproject environmental baseline inventories and assessments and monitoring of ocean uses should be required when little is known about the effects on marine and estuarine ecosystems, renewable resource uses and coastal communities or the technology involved is likely to change.

(w) Oil and gas, mining, disposal, and energy producing ocean uses should be designed, constructed, and operated in a manner that minimizes environmental impacts on the coastal waters environment, particularly the seabed communities, and minimizes impacts on recreation and existing renewable resource uses such as fishing.

(x) To the extent feasible, the location of oil and gas, and mining facilities should be chosen to avoid and minimize impacts on shipping lanes or routes traditionally used by commercial and recreational fishermen to reach fishing areas.

(y) Discontinuance or shutdown of oil and gas, mining or energy producing ocean uses should be done in a manner that minimizes impacts to renewable resource ocean uses such as fishing, and restores the seabed to a condition similar to its original state to the maximum extent feasible.

(8) Oil and gas uses and activities. Oil and gas uses and activities involve the extraction of oil and gas resources from beneath the ocean.

(a) Whenever feasible oil and gas facilities should be located and designed to permit joint use in order to minimize adverse impacts to coastal resources and uses and the environment.

(b) Special attention should be given to the availability and adequacy of general disaster response capabilities in reviewing ocean locations for oil and gas facilities.

(c) Because environmental damage is a very probable impact of oil and gas uses, the adequacy of plans, equipment, staffing, procedures, and demonstrated financial and performance capabilities for preventing, responding to, and mitigating the effects of accidents and disasters such as oil spills should be major considerations in the review of permits for their location and operation. If a permit is issued, it should ensure that adequate prevention, response, and mitigation can be provided before the use is initiated and throughout the life of the use.

(d) Special attention should be given to the response times for public safety services such as police, fire, emergency medical, and hazardous materials spill response services in providing and reviewing onshore locations for oil and gas facilities.

(e) Oil and gas facilities including pipelines should be located, designed, constructed, and maintained in conformance with applicable requirements but should at a minimum ensure adequate protection from geological hazards such as liquefaction, hazardous slopes, earthquakes, physical oceanographic processes, and natural disasters.

(f) Upland disposal of oil and gas construction and operation materials and waste products such as cuttings and drilling muds should be allowed only in sites that meet applicable requirements.

(9) Ocean mining. Ocean mining includes such uses as the mining of metal, mineral, sand, and gravel resources from the sea floor.

(a) Seafloor mining should be located and operated to avoid detrimental effects on ground fishing or other renewable resource uses.

(b) Seafloor mining should be located and operated to avoid detrimental effects on beach erosion or accretion processes.

(c) Special attention should be given to habitat recovery rates in the review of permits for seafloor mining.

(10) Energy production. Energy production uses involve the production of energy in a usable form directly in or on the ocean rather than extracting a raw material that is transported elsewhere to produce energy in a readily usable form. Examples of these ocean uses are facilities that use wave action or differences in water temperature to generate electricity.

(a) Energy-producing uses should be located, constructed, and operated in a manner that has no detrimental effects on beach accretion or erosion and wave processes.

(b) An assessment should be made of the effect of energy producing uses on upwelling, and other oceanographic and ecosystem processes.

(c) Associated energy distribution facilities and lines should be located in existing utility rights of way and corridors whenever feasible, rather than creating new corridors that would be detrimental to the aesthetic qualities of the shoreline area.

(11) Ocean disposal. Ocean disposal uses involve the deliberate deposition or release of material at sea, such as solid wastes, industrial waste, radioactive waste, incinera-

tion, incinerator residue, dredged materials, vessels, aircraft, ordnance, platforms, or other man-made structures.

(a) Storage, loading, transporting, and disposal of materials shall be done in conformance with local, state, and federal requirements for protection of the environment.

(b) Ocean disposal shall be allowed only in sites that have been approved by the Washington department of ecology, the Washington department of natural resources, the United States Environmental Protection Agency, and the United States Army Corps of Engineers as appropriate.

(c) Ocean disposal sites should be located and designed to prevent, avoid, and minimize adverse impacts on environmentally critical and sensitive habitats, coastal resources and uses, or loss of opportunities for mineral resource development. Ocean disposal sites for which the primary purpose is habitat enhancement may be located in a wider variety of habitats, but the general intent of the guidelines should still be met.

(12) Transportation. Ocean transportation includes such uses as: Shipping, transferring between vessels, and offshore storage of oil and gas; transport of other goods and commodities; and offshore ports and airports. The following guidelines address transportation activities that originate or conclude in Washington's coastal waters or are transporting a nonrenewable resource extracted from the outer continental shelf off Washington.

(a) An assessment should be made of the impact transportation uses will have on renewable resource activities such as fishing and on environmentally critical and sensitive habitat areas, environmental and scientific preserves and sanctuaries.

(b) When feasible, hazardous materials such as oil, gas, explosives and chemicals, should not be transported through highly productive commercial, tribal, or recreational fishing areas. If no such feasible route exists, the routes used should pose the least environmental risk.

(c) Transportation uses should be located or routed to avoid habitat areas of endangered or threatened species, environmentally critical and sensitive habitats, migration routes of marine species and birds, marine sanctuaries and environmental or scientific preserves to the maximum extent feasible.

(13) Ocean research. Ocean research activities involve scientific investigation for the purpose of furthering knowledge and understanding. Investigation activities involving necessary and functionally related precursor activities to an ocean use or development may be considered exploration or part of the use or development. Since ocean research often involves activities and equipment, such as drilling and vessels, that also occur in exploration and ocean uses or developments, a case by case determination of the applicable regulations may be necessary.

(a) Ocean research should be encouraged to coordinate with other ocean uses occurring in the same area to minimize potential conflicts.

(b) Ocean research meeting the definition of "exploration activity" of WAC 173-15-020 shall comply with the requirements of chapter 173-15 WAC: Permits for oil or natural gas exploration activities conducted from state marine waters.

(c) Ocean research should be located and operated in a manner that minimizes intrusion into or disturbance of the coastal waters environment consistent with the purposes of the research and the intent of the general ocean use guidelines.

(d) Ocean research should be completed or discontinued in a manner that restores the environment to its original condition to the maximum extent feasible, consistent with the purposes of the research.

(e) Public dissemination of ocean research findings should be encouraged.

(14) Ocean salvage. Ocean salvage uses share characteristics of other ocean uses and involve relatively small sites occurring intermittently. Historic shipwreck salvage which combines aspects of recreation, exploration, research, and mining is an example of such a use.

(a) Nonemergency marine salvage and historic shipwreck salvage activities should be conducted in a manner that minimizes adverse impacts to the coastal waters environment and renewable resource uses such as fishing.

(b) Nonemergency marine salvage and historic shipwreck salvage activities should not be conducted in areas of cultural or historic significance unless part of a scientific effort sanctioned by appropriate governmental agencies.

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-27-280 Civil penalty.** (1) A person who fails to conform to the terms of a substantial development permit, conditional use permit or variance issued under RCW 90.58.140, who undertakes a development or use on shorelines of the state without first obtaining a permit, or who fails to comply with a cease and desist order issued under these regulations may be subject to a civil penalty by local government. The department may impose a penalty jointly with local government, or alone only upon an additional finding that a person:

(a) Has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule; or

(b) Has been given previous notice of the same or similar type of violation of the same statute or rule; or

(c) The violation has a probability of placing a person in danger of death or bodily harm; or

(d) Has a probability of causing more than minor environmental harm; or

(e) Has a probability of causing physical damage to the property of another in an amount exceeding one thousand dollars.

(2) In the alternative, a penalty may be issued to a person by the department alone, or jointly with local government for violations which do not meet the criteria of subsection (1)(a) through (e) of this section, after the following information has been provided in writing to a person through a technical assistance visit or a notice of correction:

(a) A description of the condition that is not in compliance and a specific citation to the applicable law or rule;

(b) A statement of what is required to achieve compliance;

(c) The date by which the agency requires compliance to be achieved;

(d) Notice of the means to contact any technical assistance services provided by the agency or others; and

(e) Notice of when, where, and to whom a request to extend the time to achieve compliance for good cause may be filed with the agency.

Furthermore, no penalty shall be issued by the department until the individual or business has been given a reasonable time to correct the violation and has not done so.

(3) Amount of penalty. The penalty shall not exceed one thousand dollars for each violation. Each day of violation shall constitute a separate violation.

(4) Aiding or abetting. Any person who, through an act of commission or omission procures, aids or abets in the violation shall be considered to have committed a violation for the purposes of the civil penalty.

(5) Notice of penalty. A civil penalty shall be imposed by a notice in writing, either by certified mail with return receipt requested or by personal service, to the person incurring the same from the department and/or the local government, or from both jointly. The notice shall describe the violation, approximate the date(s) of violation, and shall order the acts constituting the violation to cease and desist, or, in appropriate cases, require necessary corrective action within a specific time.

~~((6) Application for remission or mitigation. Any person incurring a penalty may apply in writing within thirty days of receipt of the penalty to the department or local government for remission or mitigation of such penalty. Upon receipt of the application, the department or local government may remit or mitigate the penalty only upon a demonstration of extraordinary circumstances, such as the presence of information or factors not considered in setting the original penalty.~~

~~When a penalty is imposed jointly by the department and local government, it may be remitted or mitigated only upon such terms as both the department and the local government agree.))~~

AMENDATORY SECTION (Amending Order 95-17, filed 9/30/96, effective 10/31/96)

**WAC 173-27-290 Appeal of civil penalty.** (1) Right of appeal. Persons incurring a penalty imposed by the department or imposed jointly by the department and local government may appeal the same to the shorelines hearings board. Appeals to the shorelines hearings board are adjudicatory proceedings subject to the provisions of chapter 34.05 RCW. Persons incurring a penalty imposed by local government may appeal the same to the local government legislative authority.

(2) Timing of appeal. Appeals shall be filed within thirty days of the date of receipt of ((notice of)) the penalty ((unless an application for remission or mitigation is made to the department or local government. If such application is made, appeals shall be filed within thirty days of receipt of local government's and/or the department's decision regarding the remission or mitigation)). The term "date of receipt" has the same meaning as provided in RCW 43.21B.001.

(3) Penalties due.

(a) Penalties imposed under this section shall become due and payable thirty days after receipt of notice imposing the same unless application for remission or mitigation is made or an appeal is filed. Whenever an application for remission or mitigation is made, penalties shall become due and payable thirty days after receipt of local government's and/or the department's decision regarding the remission or mitigation. Whenever an appeal of a penalty is filed, the penalty shall become due and payable upon completion of all review proceedings and upon the issuance of a final decision confirming the penalty in whole or in part.

(b) If the amount of a penalty owed the department is not paid within thirty days after it becomes due and payable, the attorney general, upon request of the department, shall bring an action in the name of the state of Washington to recover such penalty. If the amount of a penalty owed local government is not paid within thirty days after it becomes due and payable, local government may take actions necessary to recover such penalty.

(4) Penalty recovered. Penalties recovered by the department shall be paid to the state treasurer. Penalties recovered by local government shall be paid to the local government treasury. Penalties recovered jointly by the department and local government shall be divided equally between the department and the local government unless otherwise stipulated in the order.

**WSR 10-16-132  
PROPOSED RULES  
DEPARTMENT OF  
LABOR AND INDUSTRIES**

[Filed August 4, 2010, 8:17 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-106.

Title of Rule and Other Identifying Information: WAC 296-15-225 Self-insurance second injury fund assessment.

Chapter 296-15 WAC governs employers who are permitted to self-insure their workers' compensation obligation pursuant to Title 51 RCW. The department is proposing a change to WAC 296-15-225, which provides the calculations used to determine the individual self-insured employer's second injury fund experience rating and assessment rate.

Hearing Location(s): Department of Labor and Industries, Room S119, 7273 Linderson Way S.W., Tumwater, WA 98501-5414, on September 8, 2010, at 1:30 p.m.

Date of Intended Adoption: October 5, 2010.

Submit Written Comments to: Margaret Conley, P.O. Box 44890, Olympia, WA 98504-4890, e-mail Mcgm235@Lni.wa.gov, fax (360) 902-6977, by September 8, 2010, 5:00 p.m.

Assistance for Persons with Disabilities: Contact Margaret Conley by August 25, 2010, TTY (800) 833-6388 or (360) 902-6723.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This proposal will

modify WAC 296-15-225 Self-insurance second injury fund assessment. The current rule indicates that the department will experience rate fifty percent of the second injury fund assessment charged against individual self-insured employers. The modification will require the department to experience rate one hundred percent of the second injury fund assessment. The change will affect the final assessment rate for each self-insurer, but it will not affect how their experience rating is calculated, or the overall amount collected from all self-insured employers for the second injury fund.

Reasons Supporting Proposal: The Washington Self-Insurers Association supports this change.

Statutory Authority for Adoption: RCW 51.44.040.

Statute Being Implemented: RCW 51.44.040.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of labor and industries, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: AnnaLisa Gellermann, 243 Israel Road S.E., Tumwater, WA 98501, (360) 902-6907.

No small business economic impact statement has been prepared under chapter 19.85 RCW. Chapter 296-15 WAC applies only to businesses that are certified to self-insure in Washington state. Per RCW 19.85.020(1), a business must have fifty or fewer employees to qualify as a small business under the Regulatory Fairness Act. The department reviewed the number of worker hours reported by each employer currently certified to self-insure, and no self-insured business has fewer than fifty employees. Therefore, no small business economic impact statement is required.

A cost-benefit analysis is not required under RCW 34.05.328. WAC 296-15-225 describes a new method of calculating individual employers' contributions to the preexisting self-insurance second injury fund assessment. Under the new methods an employer's assessment for the second injury fund might increase, decrease or stay the same. The rule does not change the methods of calculating the total amount of the assessment required to sustain the self-insured second injury fund. Therefore, this rule change does not represent an increased cost to the business community as a whole.

August 4, 2010

Judy Schurke

Director

AMENDATORY SECTION (Amending WSR 09-13-018, filed 6/5/09, effective 7/6/09)

**WAC 296-15-225 Self-insurance second injury fund assessment.** (1) The second injury fund assessment is based on anticipated second injury fund costs. The fund is used to relieve employers' costs related to pensions that result from the combined effects of the industrial injury and another prior injury, preferred worker claims, and job modifications. ~~((Fifty percent of all self-insurers' second injury fund assessment rate is based on the self-insurers' estimated expenditures from the second injury fund. The other fifty percent is))~~ The second injury fund assessment is experience rated based on ((each self-insured employer's)) a self-insurer's actual

~~((expenditures from the fund)) usage of the second injury fund in the previous three fiscal years.~~ See RCW 51.44.040 for more information about experience rating. The department may estimate claims cost data when actual data from an employer has yet to be provided.

The department determines a self-insurer's second injury fund assessment rate annually for each fiscal year. The ~~((second injury fund))~~ assessment is paid by active and inactive self-insurers quarterly at the same time a self-insurer submits its quarterly report.

(2) Self-insurers' relief from and contributions to the second injury fund will be recorded in an account separate from the state fund account. The self-insurers' second injury fund must maintain a two hundred thousand dollar minimum balance.

(3) ~~((The second injury fund assessment rate is determined annually for each fiscal year.))~~ The department uses the following process to determine the second injury fund assessment.

Definitions:

"A" = Individual self-insurer's total second injury fund costs (usage) for the previous three fiscal years.

"B" = All self-insurer's total second injury costs (usage) for the previous three fiscal years.

"C" = Individual self-insurer's claim costs for the previous three fiscal years.

"D" = Total self-insured claim costs for the previous three fiscal years.

"E" = Individual self-insurer's experience factor.

"F" = Individual self-insurer's claim costs for the previous fiscal year.

"G" = Total self-insured claim costs for the previous fiscal year.

(a) ~~((Each self-insurer uses one of two rates for the fifty percent of the second injury fund assessment rate that is based on total estimated expenditures.~~

~~((i))~~ The base second injury fund assessment rate is based on fifty percent of) The department calculates the **preliminary base rate necessary to ensure collection of adequate funds.** The preliminary base rate is the estimated usage of the second injury costs for the coming fiscal year divided by the total estimated claims costs. ~~((This))~~ The preliminary base rate is ((used by any self-insured employer)) assessed to self-insurers certified after the fiscal year used for calculation.

~~((ii))~~ (b) The department calculates the **preliminary adjusted ((second injury fund assessment)) rate** ((includes the base rate with adjustments)), by adjusting the preliminary base rate for over or under collections from prior periods. This rate is ((used by any self-insured employer)) assessed to any self-insurer certified during or prior to the fiscal year used for calculation((-This rate is also used by)), and to any self-insurer who has voluntarily surrendered its self-insurance certificate.

~~((b))~~ The second fifty percent of the second injury fund assessment is experience rated for each self-insurer based on each self-insurer's actual use of the second injury fund in the previous three fiscal years.

**Note:** ~~The department may estimate claims cost data when actual data from an employer has yet to be provided.~~

~~Each self-insurer's experience rating will be calculated using the following steps:~~

- (i) 
$$\frac{\text{A self-insurer's total second injury fund expenditures for the previous three fiscal years}}{\text{Total second injury fund expenditures for all self-insurers in the previous three fiscal years}}$$
- (ii) 
$$\frac{\text{A self-insurer's self-insured claims costs for the previous three fiscal years}}{\text{Total self-insured claims costs for all self-insurers in the previous three fiscal years}}$$
- (i)  $1/2 \times$  [the appropriate base or adjusted rate]
- (ii) [The result of (e)(i) of this subsection]  $\times$  [the self-insurer's experience rate]
- (iii) [The result of (e)(i) of this subsection] + [The result of subsection (e)(ii) of this subsection] = the final combined second injury fund assessment rate.

~~(4)) (c) The department determines an **experience factor** for each self-insurer.~~

~~(i) The department calculates the self-insurer's **second injury fund usage share** by dividing the self-insurer's total second injury fund costs (usage) for the previous three fiscal years by the total second injury fund costs (usage) for all self-insurers in the previous three fiscal years.~~

~~Second injury fund usage share = A/B~~

~~(ii) The department calculates the self-insurer's **claims cost usage share** by dividing a self-insurer's claim costs over the previous three fiscal years by the total claim costs for all self-insurers in the previous three fiscal years.~~

~~Claims cost usage share = C/D~~

~~(iii) The department calculates the self-insurer's **experience factor** by adding the second injury fund usage share to the claim cost usage share and dividing by 2, then dividing this total by the claims cost usage share.~~

~~Self-insurer's experience factor (E) = [(A/B) + (C/D)]/2 / (C/D)~~

~~(d) The department calculates the **weighted average factor** to determine what adjustments to the preliminary base and adjusted rates may be necessary because of prior over or under collection for the fund. The weighted average factor is the sum for all self-insurer's of each self-insurer's **experience factor** multiplied by their self-insured claim cost for the previous fiscal year, divided by the total self-insured claim costs for the previous fiscal year.~~

~~Weighted average factor = [(E x F) sum all self-insurers] / G~~

~~(e) The department determines the **final base rate** and the **final adjusted rate** for the fiscal year by dividing the preliminary base rate and the preliminary adjusted rate ((a) and (b) of this subsection) by the weighted average factor.~~

~~(f) The department determines the **second injury fund assessment rate** for each self-insurer by multiplying the self-insurer's experience factor by either the final base rate or the final adjusted rate.~~

~~(g) The total ((~~second injury fund~~)) assessment due each quarter is calculated by multiplying the self-insurer's ((~~final combined~~)) second injury fund assessment rate by the self-insurer's total claims costs during that quarter.~~

$$(iii) \frac{[\text{The result of (b)(i) of this subsection}] + [\text{The result of (b)(ii) of this subsection}]}{2}$$

$$(iv) \frac{\text{The result of (b)(iii) of this subsection}}{\text{The result of (b)(ii) of this subsection}} = \text{the self-insurer's experience rate}$$

~~(e) Each self-insurer's final combined second injury fund assessment rate is calculated using the following formula:~~

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

**WSR 10-16-133**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**FINANCIAL INSTITUTIONS**  
 (Division of Consumer Services)  
 [Filed August 4, 2010, 8:20 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-154 [10-07-100].

Title of Rule and Other Identifying Information: Amending the rules (chapter 208-690 WAC) under the Uniform Money Services Act, chapter 19.230 RCW.

Hearing Location(s): John A. Cherberg Senate Building, Senate Hearing Room 1, Capitol Campus, Capitol Way, Olympia, Washington 98504, on September 15, at 11:00 a.m.

Date of Intended Adoption: October 5, 2010.

Submit Written Comments to: Cindy Fazio, P.O. Box 41200, 150 Israel Road S.W., Olympia, WA 98504-1200, e-mail lfazio@dfi.wa.gov, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Cindy Fazio by September 10, 2010, TTY (360) 664-8126 or (360) 902-8786.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The rules must be amended to implement chapter 73, Laws of 2010, and generally for clarity and consistency.

Reasons Supporting Proposal: Specific information provided in the rules is necessary to guide the regulated industries in complying with the laws.

Statutory Authority for Adoption: Chapter 43.320 RCW, RCW 19.230.310.

Statute Being Implemented: Chapter 19.230 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of financial institutions, governmental.

Name of Agency Personnel Responsible for Drafting: Cindy Fazio, 150 Israel Road, Olympia, WA, (360) 902-

8800; Implementation and Enforcement: Deborah Bortner, 150 Israel Road, Olympia, WA, (360) 902-8800.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The rule amendments will not impose more than minor costs on the businesses impacted by the proposed rules.

A cost-benefit analysis is not required under RCW 34.05.328. Not applicable to the proposed rules.

August 4, 2010

Deborah Bortner, Director  
Division of Consumer Services

**AMENDATORY SECTION** (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-010 Definitions.** What definitions are applicable to these rules? The definitions in RCW 19.230.-010 and this section apply throughout this chapter unless the context clearly requires otherwise.

~~((+))~~ "Act" means the Uniform Money Services Act, chapter 19.230 RCW.

~~((2))~~ "Audited financial statement" means a statement prepared by an independent accountant according to generally accepted accounting principles.

"Authorized delegate" means a person a licensee designates to provide money services on behalf of the licensee. A person that is exempt from licensing under this chapter cannot have an authorized delegate. An authorized delegate must only perform the contractual duties as authorized by the licensee in the contract between the license and the authorized delegate.

"Bill payment" service means a type of money transmission when an intermediary accepts funds from a consumer for transmission to a merchant for payment on a consumer's account. The intermediary may or may not charge a fee for this service.

"Money transmission" means receiving money or its equivalent value to transmit, deliver, or instruct to be delivered the money or its equivalent value to another location, inside or outside the United States, by any means including, but not limited to, by wire, facsimile, or electronic transfer. Money transmission does not include the provision solely of connection services to the internet, telecommunications services, or network access. Money transmission includes selling, issuing, or acting as an intermediary for open-loop stored value devices and payment instruments, but not closed-loop stored value devices.

"Payment instrument" means a check, draft, money order, or traveler's check for the transmission or payment of money or its equivalent value, whether or not negotiable. Payment instrument does not include a credit card voucher, letter of credit, or instrument that is redeemable by the issuer in goods or services.

~~((3))~~ "Principal" means any person who controls, directly or indirectly through one or more intermediaries, alone or in concert with others, a ten percent or greater interest in a partnership, company, corporation, or association, or the owner of a sole proprietorship.

~~((4))~~ "RCW" means the *Revised Code of Washington*.

"Stored value" means the recognition of value or credit stored on a device. Stored value is either open loop, meaning the value is redeemable at multiple, unaffiliated merchants or service providers, or closed loop meaning the value is primarily intended to be redeemed for a limited universe of goods, intangibles, services, or other items provided by the issuer of the stored value, its affiliates, or others involved in transactions functionally related to the issuer or its affiliates.

"Stored value device" means a card or other device that electronically stores or provides access to funds and is available for transferring the funds or value to others.

"Subdelegate" means a person providing money services on behalf of a licensee without a direct contractual relationship with that licensee. Subdelegate does not mean an authorized delegate of a licensee solely accepting and loading funds onto an existing open-loop stored value device.

"Tangible net worth" means the physical worth of a licensee, calculated by taking a licensee's assets and subtracting its liabilities and its intangible assets, such as copyrights, patents, intellectual property, and goodwill.

~~((5))~~ "Unsafe or unsound practice" means a practice or conduct by a person licensed or required to be licensed by the act to provide money services, or an authorized delegate of such a person, which creates the likelihood of material loss, insolvency, or dissipation of the licensee's assets, or otherwise materially prejudices the financial condition of the licensee or the interests of its customers.

## PART B EXEMPTIONS

### NEW SECTION

**WAC 208-690-015 What are some activities that are exempt from the act?** (1) The issuance, sale, use, redemption, or exchange of closed-loop stored value devices.

(2) The issuance, sale, use, redemption, or exchange of payment instruments by a person licensed under chapter 31.45 RCW.

(3) The selling or issuing of open-loop stored value devices when the value on the devices are covered by federal deposit insurance immediately upon sale or issue. See the Federal Deposit Insurance Corporation (FDIC) Financial Institution Letter 129-2008 dated November 13, 2008, to determine if the underlying funds of stored value devices are covered by FDIC insurance immediately upon sale or issue.

(4) See also RCW 19.230.020.

### NEW SECTION

**WAC 208-690-016 Can the director waive the licensing provisions of the act?** Yes. The director has the authority to waive the licensing provisions of the act upon a determination the waiver facilitates commerce and protects consumers.

**PART ((B)) (C)**  
**LICENSING**

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-020 Voluntary license application.**  
May I apply for and receive a license under this chapter even though I am exempt from licensing?

(1) Any person otherwise exempt from licensing under the provisions of the act may voluntarily submit an application to the director for a money transmitter or currency exchange license. The director shall review such application and may grant or deny licenses to such applicants upon the same grounds and subject to payment of the same fees as are applicable to persons required to be licensed.

(2) Upon receipt of a license under this section, the licensee is required to maintain a valid license and is subject to all the provisions of the act and these rules until the license is surrendered or revoked.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-030 License application. What must I do to apply for a license?** ~~((Each person required to have a money transmission or currency exchange license))~~ You must ((apply to the director by filing)) file:

(1) A completed application in a form and in a medium prescribed by the director. The application must contain:

(a) The legal name, business address, and residential address, if applicable, of the applicant and any fictitious or trade name used by the applicant in conducting its business;

(b) The legal name, residential and business address, date of birth, Social Security number, employment history for the five-year period preceding the submission of the application of the applicant's proposed responsible individual, and documentation that the proposed responsible individual is a citizen of the United States or has obtained legal immigration status to work in the United States. In addition, the applicant shall provide the fingerprints of the proposed responsible individual and a personal credit report from a recognized independent credit reporting agency on the proposed responsible individual;

(c) For the ten-year period preceding submission of the application, a list of any criminal convictions of the proposed responsible individual of the applicant, any material litigation in which the applicant has been involved, and any litigation involving the proposed responsible individual relating to the provision of money services;

(d) A description of any money services previously provided by the applicant and the money services the applicant seeks to provide in this state;

(e) A list of the applicant's authorized delegates including the business name and any additional names by which the business may be known, the business address and name of the primary contact person for each authorized delegate, and the locations in this state where the applicant and its authorized delegates propose to engage in the provision of money services;

(f) A list of other states in which the applicant is licensed to engage in money transmission, or provide other money services, and any license revocations, suspensions, restrictions, or other disciplinary action taken against the applicant in another state;

(g) A list of any license revocations, suspensions, restrictions, or other disciplinary action taken against any money services business involving the proposed responsible individual;

(h) Information concerning any bankruptcy or receiver-ship proceedings involving or affecting the applicant or the proposed responsible individual;

(i) A sample form of the contract for authorized delegates, if applicable;

(j) A description of the source of money and credit to be used by the applicant to provide money services; and

(k) A full description of the screening process used by the applicant in selecting authorized delegates, including a sample of any forms used, and the method used to screen for criminal history.

(2) If the applicant is a corporation, limited liability company, partnership, or other entity, the applicant shall also provide:

(a) The date of the applicant's incorporation or formation and the state or country of incorporation or formation;

(b) If applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed;

(c) A brief description of the structure or organization of the applicant, including any parent or subsidiary of the applicant, and whether any parent or subsidiary is publicly traded;

(d) The legal name, any fictitious or trade name, all business and residential addresses, date of birth, Social Security number, and employment history in the ten-year period preceding the submission of the application for each executive officer, board director, or person that has control of the applicant;

(e) If the applicant or its corporate parent is not a publicly traded entity, the fingerprints of each executive officer, board director, or person that has control of the applicant;

(f) A list of any criminal convictions, material litigation, and any litigation related to the provision of money services, in the ten-year period preceding the submission of the application in which any executive officer, board director, or person in control of the applicant has been involved;

(g) A copy of the applicant's audited financial statements for the most recent fiscal year or, if the applicant is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent corporation or the applicant's most recent audited consolidated annual financial statement, and in each case, if available, for the two-year period preceding the submission of the application;

(h) A copy of the applicant's unconsolidated financial statements for the current fiscal year, whether audited or not, and, if available, for the two-year period preceding the submission of the application;

(i) If the applicant is publicly traded, a copy of the most recent report filed with the United States Securities and

Exchange Commission under section 13 of the federal Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m);

(j) If the applicant is a wholly owned subsidiary of:

(i) A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the federal Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m); or

(ii) A corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States;

(k) If the applicant has a registered agent in this state, the name and address of the applicant's registered agent in this state.

(3) If the application is for money transmission, a surety bond as required by WAC 208-690-040 or an assignment of a certificate of deposit, as required by WAC 208-690-045.

(4) An application fee as prescribed by WAC 208-690-130(1). The application fee is not refundable.

(5) An initial license fee as prescribed by WAC 208-690-130(2). The initial license fee will be refunded if the license application is denied.

(6) If the application is for money transmission, a certification that the applicant's investment portfolio includes only permissible investments under RCW 19.230.200 and 19.230.210.

The director may waive one or more requirements of subsection (1) or (2) of this section or permit an applicant to submit other information in lieu of the required information.

#### NEW SECTION

**WAC 208-690-031 What will happen if I abandon my license application?** If you do not respond as directed within forty-five days to the department's request for additional required information, your money transmission or currency exchange license application is considered abandoned and you forfeit all fees paid. Failure to provide the requested information will not affect new applications filed after the abandonment. You may reapply by submitting a new application package and new application fee.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-035 Authorized delegates(~~(, limitation, inclusion)~~).** What are the rules for having authorized delegates?

(1) Only a licensee may designate an authorized delegate. A person that is exempt or excluded from licensing under RCW 19.230.020 cannot have an authorized delegate. A person accepting consumers' funds for transmission through an exempt or excluded entity under RCW 19.230.-020 is a money transmitter and must be licensed under the act.

(2) An authorized delegate, or any other person exempt or excluded from the licensing requirements of chapter 19.230 RCW, cannot have an authorized delegate.

(3) Any person who is designated by a licensee to provide money services on behalf of the licensee is an authorized delegate, regardless of whether that person would be exempt or excluded from the application of chapter 19.230 RCW if they provided money services on their own behalf.

(4) A written contract between a licensee and an authorized delegate must contain, among all the other contract provisions, provisions with language substantially similar to the following:

(a) The authorized delegate must operate in full compliance with chapter 19.230 RCW and the rules adopted under this chapter.

(b) The authorized delegate is prohibited from using subdelegates or conducting business from locations not authorized by the department.

(c) A description of the specific money services the licensee has authorized the authorized delegate to perform on behalf of the licensee.

(5) The authorized delegate may only conduct activities authorized by the licensee in the written agreement, unless the authorized delegate is also a licensee.

(6) You must maintain your authorized delegate agreements as part of your books and records pursuant to RCW 19.230.170 and make them available to the department upon request.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-040 Surety bond.** What are the bonding requirements?

(1) Each money transmitter licensee shall continuously maintain a surety bond as required by RCW 19.230.050, issued by a company authorized to do surety business in this state, as a surety. The surety may not be a wholly owned subsidiary or affiliate of the applicant or licensee.

(2) The penal sum of the bond shall be calculated annually (~~(according to the following schedule:~~

~~(a) Ten thousand dollars if the applicant or licensee had money transmission receipts of less than one million dollars for the previous twelve months, including applicants who have not previously engaged in providing money transmission services.~~

~~(b) Twenty thousand dollars if the applicant or licensee had money transmission receipts of at least one million but less than two million dollars for the previous twelve months.~~

~~(c) Thirty thousand dollars if the applicant or licensee had money transmission receipts of at least two million but less than three million dollars for the previous twelve months.~~

~~(d) Forty thousand dollars if the applicant or licensee had money transmission receipts of at least three million but less than four million dollars for the previous twelve months.~~

~~(e) Fifty thousand dollars if the applicant or licensee had money transmission receipts of four million dollars or more for the previous twelve months.~~

~~In addition to these amounts, the penal sum of the bond is increased by ten thousand dollars for each additional location where that applicant provides money services, including each location of authorized delegates, and each location owned and operated by the applicant, up to a maximum total~~

~~amount of five hundred thousand dollars.) based on the previous year's money transmission and payment instrument dollar volume. The bond amount must be calculated at ten thousand dollars for every one million dollars of money transmission and payment instrument dollar volume. The minimum surety bond amount is ten thousand dollars. The maximum surety bond amount is five hundred fifty thousand dollars.~~

(3) What will my initial bond amount be? Reserved.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-045 Alternatives to the surety bond((, certificate of deposit)).** May I hold a certificate of deposit instead of the bond? In lieu of the surety bond required under WAC 208-690-040, an applicant or licensee may substitute an assignment of a certificate of deposit in favor of the director in a form provided by the director. The certificate of deposit must be issued by a financial institution in the state of Washington whose shares or deposits are insured by an agency of the government of the United States. The depositor is entitled to receive all interest and dividends on the certificate of deposit. The assignment of a certificate of deposit will be held for at least five years after the date when a replacement security instrument is filed with the director, or at least five years after the date the money transmitter licensee ceases to provide money services in this state.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-050 Increase of security.** Will DFI ever require me to increase the amount of security I hold? The director may increase the amount of security required, to a maximum of one million dollars, if the financial condition of a money transmitter licensee so requires. The director may consider, without limitation, the following criteria:

- (1) Significant reduction of net worth.
- (2) Financial losses.
- (3) Potential losses resulting from violations of chapter 19.230 RCW, or these rules;
- (4) Licensee filing for bankruptcy.
- (5) The initiation of any proceedings against the licensee in any state or foreign country.
- (6) The filing of a state or federal criminal charge against the licensee, person in control, responsible individual, executive officer, board director, employee, authorized delegate or principal, based on conduct related to providing money services or money laundering.
- (7) A licensee, executive officer, board director, person in control, responsible individual, principal or authorized delegate being convicted of a crime.
- (8) Any unsafe or unsound practice.
- (9) A judicial or administrative finding against a money transmitter licensee under chapter 19.86 RCW, or an examination report finding that the money transmitter licensee engaged in an unfair or deceptive act or practice in the conduct of its business.

(10) Other events and circumstances that, in the judgment of the director, impair the ability of the licensee to meet its obligations to its money services customers.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-060 Tangible net worth.** What are the rules for my tangible net worth requirements?

(1) A money transmitter applicant or licensee must demonstrate and maintain a tangible net worth ((of at least the amounts set forth in the following schedule:

(a) ~~Ten thousand dollars if the applicant has not previously engaged in the provision of money services, or the applicant or licensee had money transmission receipts of less than one million dollars for the previous twelve months;~~

(b) ~~Twenty thousand dollars if the applicant or licensee had money transmission receipts of at least one million dollars but less than two million dollars for the previous twelve months;~~

(c) ~~Thirty thousand dollars if the applicant or licensee had money transmission receipts of at least two million dollars but less than three million dollars for the previous twelve months;~~

(d) ~~Forty thousand dollars if the applicant or licensee had money transmission receipts of at least three million dollars but less than four million dollars for the previous twelve months; or~~

(e) ~~Fifty thousand dollars if the applicant or licensee had money transmission receipts of four million dollars or more for the previous twelve months))~~ calculated at ten thousand dollars for every one million dollars of money transmission and payment instrument dollar volume. The minimum tangible net worth is ten thousand dollars.

(2) Determinations of tangible net worth must be made according to generally accepted accounting principles.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-070 License denial.** When may DFI deny my license application?

(1) Director may deny a money services license if the director determines that:

(a) The application is incomplete;

(b) The surety bond or net worth requirements of WAC 208-690-040 through 208-690-060 have not been met;

(c) The general fitness and character requirements of RCW 19.230.070 or 19.230.100 have not been met as demonstrated by findings including, but not limited to, the following:

(i) The applicant, an executive officer, proposed responsible person, board director, person in control or authorized delegate has been convicted of any felony within the past ten years;

(ii) The applicant, an executive officer, proposed responsible person, board director, person in control or authorized delegate has been convicted of a crime involving a financial transaction within the past ten years;

(iii) The applicant, an executive officer, proposed responsible person, board director or person in control has

criminal, civil, or administrative charges issued against him/them in any jurisdiction for violations relating to a financial transaction(s) within the past ten years;

(iv) The applicant, an executive officer, proposed responsible person, board director, or person in control has falsified any information supplied in connection with the application;

(v) The applicant, or any proposed authorized delegate thereof, has had an adverse action taken against any business license related to providing financial services by a jurisdiction within the United States within the past five years;

(vi) The applicant has allowed a business under its control to deteriorate to a condition of insolvency determined by the fact that its liabilities exceed its assets or it cannot meet its liabilities as they mature;

(d) The applicant, or any authorized delegate thereof, fails to respond to a request for information from the director;

(e) The description of the screening process used by the applicant in selecting authorized delegates supplied by the applicant describes a process that is ineffective in determining the fitness of proposed authorized delegates;

(f) The applicant has failed to register with the United States Department of the Treasury as required by 31 U.S.C. Section 5330;

(g) The applicant, an executive officer, proposed responsible individual, board director, or person in control is listed on the specially designated nationals and blocked persons list prepared by the United States Department of the Treasury as a potential threat to commit terrorist acts or to finance terrorist acts.

(2) In lieu of denying an application as authorized by any of the findings in subsection (1) of this section, the director may return the application or extend the review period if the director determines that the condition or circumstances that would likely lead to denial may be temporary and resolved satisfactorily within a reasonable period of time. The director may resume processing the application if the director determines that a favorable resolution of the disqualifying condition has occurred.

(3) The director may revoke or suspend a license and issue an order to cease and desist operations as a money services licensee if:

(a) Another jurisdiction initiates an adverse action against the money services license of the licensee; or

(b) Upon finding the existence of any condition or fact that would have led to denial of a license if known by the director during the processing of the application.

## **PART ((C)) (D)** **RECORDKEEPING AND REPORTING**

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-075 Transaction records. Must I keep records pursuant to federal law in addition to keeping them for Washington law?** In addition to the records required to be retained under RCW 19.230.170, a money transmitter licensee shall maintain a record of money transmittals in accordance with:

(1) Report of Foreign Bank and Financial Accounts (FBAR), Title 31, Code of Federal Regulations, Parts 103.24, 103.32, 103.33(f), and 103.41, as now appearing or hereafter amended; and

(2) Currency exchange records, Title 31, CFR 103.37, as now appearing or hereafter amended.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-080 Audited annual financial statement. Am I required to have audited financial statements?** (~~A money transmitter licensee is~~) You are required to have an audited financial statement prepared annually in accordance with generally accepted accounting principles.

### NEW SECTION

**WAC 208-690-085 Permissible investments.** How do I structure permissible investments? You must maintain permissible investment levels pursuant to RCW 19.230.200 and 19.230.210.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-090 Annual report and annual assessment. What are the annual report and assessment requirements?** Every licensee must submit a completed annual report and annual license assessment fee prescribed by WAC 208-690-140. The completed report and the fee must be received in the department office no later than 5:00 p.m. July 1, or 5:00 p.m. the next business day if July 1 is not a business day. A form for the preparation of the annual report and license assessment will be made available by the department by electronic transmission or mailed upon request. The report shall include the following:

(1) If the licensee is a money transmitter, a copy of the licensee's most recent audited annual financial statement or, if the licensee is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent company.

(2) A list of current authorized delegates in a form and in a medium prescribed by the director.

(3) If the licensee is a money transmitter, a certification that the licensee's investment portfolio includes only permissible investments under RCW 19.230.200 and 19.230.210.

(4) If the licensee is a money transmitter, proof that the licensee has an adequate surety bond or assignment of a certificate of deposit and net worth as required by WAC 208-690-040 through 208-690-060.

(5) A description of each material change, as defined by WAC 208-690-110, which has not been previously reported to the director.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-110 Report of material change. What must I report to DFI if something about my business changes?** Material changes described in this section must be

reported to the director within thirty business days of the occurrence of the change. "Material change" means any change that is not trivial, and that, if not reported, would cause an investigation or examination to be misled or delayed. Such changes include, but are not limited to:

- (1) A change of the physical and/or mailing address;
- (2) A change of the responsible individual;
- (3) A change of the licensee's name or DBA (doing business as);
- (4) A change in the location where the records of the licensee that are required to be retained under RCW 19.230-170 are kept;
- (5) The obtaining, revocation or surrender of a money services license in any other jurisdiction;
- (6) The conviction of the licensee, an executive officer, responsible individual, board director, principal, or person in control of a misdemeanor or gross misdemeanor involving a financial transaction; and
- (7) Other similar activities or events.

The fee prescribed by WAC 208-690-150 must accompany each report.

**AMENDATORY SECTION** (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-112 Other reports. What events about my business must I report to DFI?** A licensee shall file a report with the director within one business day after the licensee has reason to know of the occurrence of any of the following events:

- (1) The filing of a petition by or against the licensee, or any authorized delegate of the licensee, under the United States Bankruptcy Code (11 U.S.C. 101-110) for bankruptcy or reorganization;
- (2) The filing of a petition by or against the licensee, or any authorized delegate of the licensee, for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of creditors;
- (3) The commencement of a proceeding to revoke, suspend, restrict, or condition its license, or otherwise discipline or sanction the licensee, in a state or country in which the licensee engages in business or is licensed;
- (4) The cancellation or other impairment of the licensee's bond or other security;
- (5) A charge or conviction of the licensee or of an executive officer, responsible individual, board director of the licensee, principal, or person in control of the licensee, for a felony; or
- (6) A charge or conviction of an authorized delegate for a felony.

**AMENDATORY SECTION** (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-115 Request for approval of change of control. What must I do to request approval for a change of control of my business?** A request for approval of change of control as required by RCW 19.230.160 shall be made within fifteen days after learning of the proposed change of control

and at least thirty days prior to the proposed change of control. The request for approval shall include:

- (1) A comprehensive description of the proposed change that sets forth:
  - (a) The identity of all persons acquiring control under the proposed change;
  - (b) The ownership interest and managerial authority of all persons in control under the proposed change.
- (2) For each new person in control under the proposed change:
  - (a) Biographical information, including employment history for the immediate previous five years;
  - (b) A personal credit report issued by a recognized independent credit reporting agency;
  - (c) A signed authorization for a background investigation on a form prescribed by the director.
- (3) A transaction fee as prescribed by WAC 208-690-150.

**AMENDATORY SECTION** (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-120 Quarterly reports—Deletion of authorized delegates, locations—Address or name change. When must I notify DFI of certain changes to information about my business?**

- (1) A licensee shall file with the director within forty-five days after the end of each fiscal quarter:
  - (a) Any addition or deletion of licensee-owned locations where money services are provided, including mobile locations;
  - (b) Any change in the name or trade name (DBA or doing business as) or business address of an existing authorized delegate;
  - (c) Any additions or deletions from its roster of authorized delegates; and
  - (d) The fee required by WAC 208-690-150.
- (2) If there is no change in the roster of authorized delegates or locations where money services are provided, or no changes in the name or trade name (DBA or doing business as) or business address of any authorized delegate during a fiscal quarter, no report is required.

#### **PART ((D)) E FEES**

**AMENDATORY SECTION** (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-130 License fees. What are the fees I must pay to get a license? You must pay the following fees:**

- (1)(a) A nonrefundable license application fee of five hundred dollars ((shall be paid by each license applicant, plus)).
- (b) An additional nonrefundable license application fee of fifty dollars for each additional location where ((the licensee)) you or an authorized delegate will provide money services, up to a maximum of ((fifteen)) five thousand dollars. ((A nonrefundable application fee of fifty dollars shall be paid by a licensee for each authorized delegate or com-

pany-owned location the licensee seeks to add to its roster after the company license has been issued.)

(2) ~~((An applicant shall pay an initial))~~(a) A license fee of five hundred dollars ~~((, plus))~~.

(b) An additional license fee of fifty dollars for each additional location where ~~((the applicant))~~ you or an authorized delegate will provide money services, up to a maximum of ~~((fifteen))~~ five thousand dollars. ~~((This initial license fee is refundable if the application is denied. The fee is not refundable if [if] the application is withdrawn. A licensee shall pay an initial license fee of fifty dollars for each authorized delegate the licensee seeks to add to its roster after the license has been issued.))~~

(3) The license fees in subsection (2)(a) and (b) of this section may be partially refundable if the application is withdrawn.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-150 Transaction fee. What fees must I pay to make changes to my license?** (1) ~~((A fee of))~~ You must pay fifty dollars to add an authorized delegate to your quarterly roster of authorized delegates. The fee for adding authorized delegates is capped at five thousand dollars.

(2) You must pay thirty dollars ~~((shall be paid by a licensee for the administrative costs connected with processing each))~~ for the following changes to your license:

(a) Change of ~~((a licensee's))~~ physical or mailing address, name or trade name (DBA or doing business as);

(b) Request for approval of a change in control ~~((of a licensee))~~;

(c) Change of the responsible individual;

(d) Change in the business/trade name ~~((or))~~, location of an existing authorized delegate, ~~((or))~~ company-owned location ~~((, or deletions from the roster or authorized delegates))~~; or

(e) Material change. Material changes include, but are not limited to, the addition or deletion of executive officers or board directors.

~~((2))~~ (3) Transaction fees ~~((to cover administrative costs))~~ are separate, distinct from, and in addition to investigation and examination fees under WAC 208-690-170.

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-170 Investigation ~~((and examination))~~ fee. What fee will I be charged if DFI investigates my business?**

(1) The director will collect fees of seventy-five dollars per hour for investigations ~~((and examination))~~, including, but not limited to, the following services:

(a) The review and attendant investigation of changes in control changes in the responsible individual, changes in the identity or location of authorized delegates, and other material changes.

(b) The review and attendant investigation of permissible investments of the licensee.

~~((c))~~ Any examination of the licensee's books, records and files deemed necessary by the director.

(2) The licensee, applicant or person subject to licensing under this chapter who is the subject of an examination or investigation shall pay the actual expenses of required out-of-state travel including, but not limited to, travel, lodging and per diem expense.

(3) Investigation ~~((and examination))~~ fees are separate, distinct from, and in addition to transaction fees imposed by WAC 208-690-150.

## PART ~~((E))~~ F ENFORCEMENT

AMENDATORY SECTION (Amending WSR 04-15-005, filed 7/7/04, effective 8/7/04)

**WAC 208-690-180 Authority to conduct examinations and investigations. When may DFI examine or investigate my business?**

(1) For the purposes of discovering violations of chapter 19.230 RCW or these rules, discovering unsafe and unsound practices, or securing information lawfully required under chapter 19.230 RCW, the director may at any time, either personally or by designee, investigate or examine the business and, wherever located, the books, accounts, records, papers, documents, files, and other information used in the business of every licensee or its authorized delegates, and of every person who is engaged in the business of providing money services, whether the person acts or claims to act under or without the authority of chapter 19.230 RCW. For these purposes, the director or designated representative shall have free access to the offices and places of business, books, accounts, papers, documents, other information, records, files, safes, and vaults of all such persons. The director may require the attendance of and examine under oath all persons whose testimony may be required about the business or the subject matter of any investigation, examination, or hearing and may require such person to produce books, accounts, papers, documents, records, files and any other information the director or designated person declares is relevant to the inquiry. The director may require the production of original books, accounts, papers, documents, records, files, and other information; may require that such original books, accounts, papers, documents, records, files, and other information be copied; or make copies himself or herself or by designee of such original books, accounts, papers, documents, records, files, or other information. If the director determines that there is a danger that original records may be destroyed, altered, or removed to deny access, or hinder an examination or investigation, or that original documents are necessary for the preparation of a criminal referral, the director may take possession of originals of any items described in this section, regardless of the source of such items. Originals and copies taken by the director may be held, returned, or forwarded to other regulatory or law enforcement officials as determined necessary by the director. The director or designated person may issue a subpoena or subpoena duces tecum requiring attendance or compelling production of the books, accounts, papers, documents, records, files, or other information.

(2) The licensee, applicant, or person subject to licensing under this chapter shall pay the cost of examinations and

investigations as specified in RCW 19.230.320 and WAC 208-690-170.

(3) Information obtained during an examination or investigation under these rules may be disclosed only as provided in RCW 19.230.190.

(4) The director may retain attorneys, accountants, or other professionals and specialists as examiners, auditors or investigators, to conduct or assist in the conduct or examinations or investigations. The cost of these services shall be borne by the person who is the subject of the examination or investigation.

## PART G DISCLOSURES

### NEW SECTION

**WAC 208-690-200 What documentation must I provide to consumers to be in compliance with RCW 19.230-330(2)?** For stored value transactions the receipt may include the name, address, and telephone number of the authorized delegate, provided that the licensee's contact information is provided in or on the stored value device packaging or on the stored value device itself.

**WSR 10-16-134  
PROPOSED RULES  
DEPARTMENT OF  
FINANCIAL INSTITUTIONS  
(Division of Consumer Services)  
[Filed August 4, 2010, 8:20 a.m.]**

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-098.

Title of Rule and Other Identifying Information: Amending the rules (chapter 208-660 WAC) under the Mortgage Broker Practices Act (chapter 19.146 RCW).

Hearing Location(s): John A. Cherberg Senate Building, Senate Hearing Room 1, Capitol Campus, Capitol Way, Olympia, Washington 98504, on September 16, at 10:30 a.m.

Date of Intended Adoption: October 5, 2010.

Submit Written Comments to: Cindy Fazio, P.O. Box 41200, 150 Israel Road S.W., Olympia, WA 98504-1200, e-mail [lfazio@dfi.wa.gov](mailto:lfazio@dfi.wa.gov), by September 24, 2010.

Assistance for Persons with Disabilities: Contact Cindy Fazio by September 10, 2010, TTY (360) 664-8126 or (360) 902-8786.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The rules must be amended to implement chapter 35, Laws of 2010. The rules may also be amended to achieve consistency with the federal rules implementing the SAFE Act. The final version of those rules is expected in the coming months. Finally, the rules must also be amended generally for clarity and consistency.

Reasons Supporting Proposal: Specific information provided in the rules is necessary to guide the regulated industries in complying with the laws.

Statutory Authority for Adoption: Chapter 43.320 RCW, RCW 19.146.225.

Statute Being Implemented: Chapter 19.146 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of financial institutions, governmental.

Name of Agency Personnel Responsible for Drafting: Cindy Fazio, 150 Israel Road, Olympia, WA, (360) 902-8800; Implementation and Enforcement: Deborah Bortner, 150 Israel Road, Olympia, WA, (360) 902-8800.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The rule amendments will not impose more than minor costs on the businesses impacted by the proposed rules.

A cost-benefit analysis is not required under RCW 34.05.328. Not applicable to the proposed rules.

August 4, 2010

Deborah Bortner, Director  
Division of Consumer Services

AMENDATORY SECTION (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-006 Definitions. What definitions are applicable to these rules?** Unless the context clearly requires otherwise, the definitions in this section apply throughout these rules.

"Act" means the Mortgage Broker Practices Act, chapter 19.146 RCW.

"Advertising material" means any form of sales or promotional materials used in connection with the mortgage broker business. Advertising material includes, but is not limited to, newspapers, magazines, leaflets, flyers, direct mail, indoor or outdoor signs or displays, point-of-sale literature or educational materials, other printed materials; radio, television, public address system, or other audio broadcasts; or internet pages.

"Affiliate" means any person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

"Annual loan origination volume" means the aggregate of the principal loan amounts brokered by the licensee.

"Application" means the submission of a borrower's financial information in anticipation of a credit decision relating to a residential mortgage loan, which includes the borrower's name, monthly income, Social Security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought. An application may be in writing or electronically submitted, including a written record of an oral application. If the submission does not state or identify a specific property, the submission is an application for a prequalification and not an application for a residential mortgage loan under this part. The subsequent addition of an identified property to the submission converts the submission to an application for a residential mortgage loan.

"Appraisal" means the act or process of developing an opinion of value, the act pertaining to an appraisal-related function, or any verbal or written opinion of value offered by

an appraiser. The opinion of value by the appraiser includes any communication that is offered as a single point, a value range, a possible value range, exclusion of a value, or a minimum value.

"Borrower" means any person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the person actually obtains such a loan.

"Branch office" means a fixed physical location such as an office, separate from the principal place of business of the licensee, where the licensee holds itself out as a mortgage broker.

"Branch office license" means a branch office license issued by the director allowing the licensee to conduct a mortgage broker business at the location indicated on the license.

"Business day" means Monday through Friday excluding federally recognized bank holidays.

"Certificate of passing an approved examination" means a certificate signed by the testing administrator verifying that the individual performed with a satisfactory score or higher.

"Certificate of satisfactory completion of an approved continuing education course" means a certificate signed by the course provider verifying that the individual has attended an approved continuing education course.

"Compensation or gain" means remuneration, benefits, or an increase in something having monetary value, including, but not limited to, moneys, things, discounts, salaries, commissions, fees, duplicate payments of a charge, stock, dividends, distributions of partnership profits, franchise royalties, credits representing moneys that may be paid at a future date, the opportunity to participate in a money-making program, retained or increased earnings, increased equity in a parent or subsidiary entity, special or unusual bank or financing terms, services of all types at special or free rates, sales or rentals at special prices or rates, lease or rental payments based in whole or in part on the amount of business referred, trips and payments of another person's expenses, or reduction in credit against an existing obligation. "Compensation or gain" is not evaluated solely on a loan by loan basis.

For example, a realtor advertising that buyers using their services will receive free loan origination assistance is doing so in the anticipation of "compensation or gain" through increased real estate business.

"Computer loan information systems" or "CLI system" means a real estate mortgage financing information system that facilitates the provision of information to consumers by a mortgage broker, loan originator, lender, real estate agent, or other person regarding interest rates and other loan terms available from different lenders.

For purposes of this definition, the CLI system includes computer hardware or software, an internet-based system, or any combination of these, which provides information to consumers about residential mortgage interest rates and other loan terms which are available from another person.

"Computer loan information system provider" or "CLI provider" is any person who provides a computer loan infor-

mation service, either directly, or as an owner-operator of a CLI system, or both.

"Consumer Protection Act" means chapter 19.86 RCW.

"Control" including the terms "controls," "is controlled by," or "is under common control" means the power, directly or indirectly, to direct or cause the direction of the management or policies of a person, whether through ownership of the business, by contract, or otherwise. A person is presumed to control another person if such person is:

- A general partner, officer, director, or employer of another person;
- Directly or indirectly or acting in concert with others, or through one or more subsidiaries, owns, holds with power to vote, or holds proxies representing, more than twenty percent of the voting interests of another person; or
- Has similar status or function in the business as a person in this definition.

"Convicted of a crime," irrespective of the pronouncement or suspension of sentence, means a person:

- Has been convicted of the crime in any jurisdiction;
- Has been convicted of a crime which, if committed within this state would constitute a crime under the laws of this state;
- Has plead guilty or no contest or nolo contendere or stipulated to facts that are sufficient to justify a finding of guilt to such a charge before a court or federal magistrate; or
- Has been found guilty of a crime by the decision or judgment of a state or federal judge or magistrate, or by the verdict of a jury.

"Department" means the department of financial institutions.

"Depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act on the effective date of this section, and includes credit unions.

"Designated broker" means a natural person designated as the person responsible for activities of the licensed mortgage broker in conducting the business of a mortgage broker under this chapter and who meets the experience and examination requirements set forth in RCW 19.146.210 (1)(e).

"Director" means the director of financial institutions.

"Discount points" or "points" mean a fee paid by a borrower to a lender to reduce the interest rate of a residential mortgage loan. Pursuant to Regulation X, discount points are to be reflected on the good faith estimate and settlement statement as a dollar amount.

"Division of consumer services" means the division of consumer services within the department of financial institutions, or such other division within the department delegated by the director to oversee implementation of the act and these rules.

"Employee" means an individual who has an employment relationship with a mortgage broker, and the individual is treated as an employee by the mortgage broker for purposes of compliance with federal income tax laws.

"Examination" or "compliance examination" means the examination performed by the division of consumer services, or such other division within the department delegated by the director to oversee implementation of the act and these rules to determine whether the licensee is in compliance with applicable laws and regulations.

"Federal banking agencies" means the Board of Governors of the Federal Reserve System, Comptroller of the Currency, Director of the Office of Thrift Supervision, National Credit Union Administration, and Federal Deposit Insurance Corporation.

Federal statutes and regulations used in these rules are:

- "Alternative Mortgage Transaction Parity Act" means the Alternative Mortgage Transaction Parity Act (AMTPA), 12 U.S.C. Sec. 3801 et seq.

- "Equal Credit Opportunity Act" means the Equal Credit Opportunity Act (ECOA), 15 U.S.C. Sec. 1691 et seq., Regulation B, 12 CFR Part 202.

- "Fair Credit Reporting Act" means the Fair Credit Reporting Act (FCRA), 15 U.S.C. Sec. 1681 et seq.

- "Federal Trade Commission Act" means the Federal Trade Commission Act, 15 U.S.C. Sec. ((45(a))) 41-58.

- "Gramm-Leach-Bliley Act (GLBA)" means the Financial Modernization Act of 1999, 15 U.S.C. Sec. 6801-6809, and the GLBA-mandated Federal Trade Commission (FTC) privacy rules, at 16 CFR Parts 313-314.

- "Home Equity Loan Consumer Protection Act" means the Home Equity Loan Consumer Protection Act, 15 U.S.C. Sec. 1637 and 1647.

- "Home Mortgage Disclosure Act" means the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. Sec. 2801-2810, Regulation C, 12 CFR Part 203.

- "Home Ownership and Equity Protection Act" means the Home Ownership and Equity Protection Act (HOEPA), 15 U.S.C. Sec. 1639.

- "Homeowners Protection Act" means the Homeowners Protection Act of 1998 (HPA), 12 U.S.C. Sec. 4901 et seq.

- "Real Estate Settlement Procedures Act" means the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. Sec. 2601 et seq., Regulation X, 24 CFR Part 3500 et seq.

"S.A.F.E." means the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, Title V of the Housing and Economic Recovery Act of 2008 (HERA), P.L. 110-289, effective July 30, 2008.

- "Telemarketing and Consumer Fraud and Abuse Prevention Act" means the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. Sec. 6101-6108, Telephone Sales Rule, 16 CFR Part 310.

- "Truth in Lending Act" means the Truth in Lending Act (TILA), 15 U.S.C. Sec. 1601 et seq., Regulation Z, 12 CFR Part 226 et seq.

"Federally insured financial institution" means a savings bank, savings and loan association, or credit union, whether state or federally chartered, or a federally insured bank, authorized to conduct business in this state.

"Financial misconduct," for the purposes of the act, means a criminal conviction for any of the following:

- Any conduct prohibited by the act;

- Any conduct prohibited by statutes governing mortgage brokers in other states, or the United States, if such conduct would constitute a violation of the act;

- Any conduct prohibited by statutes governing other segments of the financial services industry, including but not limited to the Consumer Protection Act, statutes governing the conduct of securities broker dealers, financial advisers, escrow officers, title insurance companies, limited practice

officers, trust companies, and other licensed or chartered financial service providers; or

- Any conduct commonly known as white collar crime, including, but not limited to, embezzlement, identity theft, mail or wire fraud, insider trading, money laundering, check fraud, or similar crimes.

"Independent contractor" means any person that expressly or impliedly contracts to perform mortgage brokering services for another and that with respect to its manner or means of performing the services is not subject to the other's right of control, and that is not treated as an employee by the other for purposes of compliance with federal income tax laws.

The following factors may be considered to determine if a person is an independent contractor:

Is the person instructed about when, where and how to work?

Is the person guaranteed a regular wage?

Is the person reimbursed for business expenses?

Does the person maintain a separate business?

Is the person exposed to potential profits and losses?

Is the person provided employee benefits such as insurance, a pension plan, or vacation or sick pay?

"License number" means the NMLSR unique identifier displayed as prescribed by the director.

"Licensee" means:

- A mortgage broker licensed by the director; or

- The principal(s) or designated broker of a mortgage broker; or

- A loan originator licensed by the director; or

- Any person subject to licensing under RCW 19.146.-200; or

- Any person acting as a mortgage broker or loan originator subject to any provisions of the act.

"Loan modification" means a change in one or more residential mortgage loan terms or conditions and includes forbearances, repayment plans, a change in interest rates, loan term (length), loan type (fixed or adjustable), the capitalization of arrearages, and principal reductions. "Loan modification" does not include services that result in refinancing a residential mortgage loan.

"Loan originator" means a natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain:

- Takes a residential mortgage loan application for a mortgage broker; or

- Offers or negotiates terms of a mortgage loan.

"Loan originator" also includes a person who holds themselves out to the public as able to perform any of these activities.

For purposes of further defining "loan originator," "taking a residential mortgage loan application" includes soliciting, accepting, or offering to accept an application for a residential mortgage loan or assisting a borrower or offering to assist a borrower in the preparation of a residential mortgage loan application.

For purposes of this definition, a person "holds themselves out" by advertising or otherwise informing the public that the person engages in any of the activities of a mortgage

broker or loan originator, including the use of business cards, stationery, brochures, rate lists or other promotional items.

"Loan originator" also includes a natural person who for direct or indirect compensation or gain or in the expectation of direct or indirect compensation or gain performs residential mortgage loan modification services or holds himself or herself out as being able to perform residential mortgage loan modification services.

"Loan originator" does not mean persons performing purely administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or clerical tasks" means the receipt, collection, and distribution of information common for the processing of a loan in the mortgage industry and communication with a borrower to obtain information necessary for the processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not performing administrative or clerical tasks.

"Loan originator" does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable state law, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such a lender, mortgage broker, or other mortgage loan originator. For purposes of this chapter, the term "real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including:

- (a) Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;
- (b) Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;
- (c) Negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing with respect to any such transaction;
- (d) Engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and
- (e) Offering to engage in any activity, or act in any capacity, described in (a) through (d) of this subsection.

"Loan originator" does not include a person or entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in section 101(53D) of Title 11, United States Code.

~~((For purposes of further defining "loan originator," "taking a residential mortgage loan application" includes soliciting, accepting, or offering to accept an application for a residential mortgage loan or assisting a borrower or offering to assist a borrower in the preparation of a residential mortgage loan application.~~

~~For purposes of this definition, a person "holds themselves out" by advertising or otherwise informing the public that the person engages in any of the activities of a mortgage broker or loan originator, including the use of business cards, stationery, brochures, rate lists or other promotional items.))~~  
The definition of loan originator does not apply to employees of a housing counseling agency approved by the United States department of Housing and Urban Development unless

the employees of a housing counseling agency are required under federal law to be licensed individually as loan originators.

"Loan originator licensee" means a natural person who is licensed as a loan originator or is subject to licensing under RCW 19.146.200 or who is acting as a loan originator subject to any provisions of the act.

"Loan processor" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed, or exempt from licensing, under chapter 19.146 RCW. The job responsibilities may include the receipt, collection and distribution of information common for the processing of a loan. The loan processor may also communicate with a borrower to obtain the information necessary for the processing of a loan, provided that such communication does not include offering or negotiating loan rates or terms, or counseling borrowers about loan rates or terms.

~~("Lock-in agreement" means an agreement with a borrower made by a mortgage broker or loan originator, in which the mortgage broker or loan originator agrees that, for a period of time, a specific interest rate or other financing terms will be the rate or terms at which it will make a loan available to that borrower.)~~

"Material litigation" means any litigation that would be relevant to the director's ruling on an application for a license including, but not limited to, criminal or civil action involving dishonesty or financial misconduct.

"Mortgage broker" means any person who for compensation or gain, or in the expectation of compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage loan. A mortgage broker either prepares a residential mortgage loan for funding by another entity or table-funds the residential mortgage loan. See the definition of "table funding." (These are the two activities allowed under the MBPA.)

For purposes of this definition, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by, among other things, counseling on loan terms (rates, fees, other costs), preparing loan packages, or collecting enough information on behalf of the consumer to anticipate a credit decision under Regulation X, 24 CFR Part 3500, Section 3500 (2)(b).

For purposes of this definition, a person "holds himself or herself out" by advertising or otherwise informing the public that they engage in any of the activities of a mortgage broker or loan originator, including the use of business cards, stationery, brochures, rate sheets, or other promotional items.

"Mortgage broker licensee" means a person that is licensed as a mortgage broker or is subject to licensing under RCW 19.146.200 or is acting as a mortgage broker subject to any provisions of the act.

"Mortgage Broker Practices Act" means chapter 19.146 RCW.

"Mortgage loan originator" means the same as "loan originator."

"Nationwide Mortgage Licensing System and Registry (NMLSR)" means a mortgage licensing system developed

and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of mortgage loan originators.

"Nontraditional mortgage product" means any mortgage product other than a thirty-year fixed rate mortgage. This definition is limited to implementation of the S.A.F.E. Act.

"Out-of-state applicant or licensee" means a person subject to licensing that maintains an office outside of this state.

"Person" means a natural person, corporation, company, limited liability corporation, partnership, or association.

"Prepaid escrowed costs of ownership," as used in RCW 19.146.030(4), means any amounts prepaid by the borrower for the payment of taxes, property insurance, interim interest, and similar items in regard to the property used as security for the loan.

"Principal" means any person who controls, directly or indirectly through one or more intermediaries, or alone or in concert with others, a ten percent or greater interest in a partnership, company, association, or corporation, and the owner of a sole proprietorship.

"Rate lock agreement" means an agreement with a borrower made by a mortgage broker or loan originator, in which the mortgage broker or loan originator agrees that, for a period of time, a specific interest rate or other financing terms will be the rate or terms at which it will make a loan available to that borrower.

"Registered agent" means a person located in Washington appointed to accept service of process for a licensee.

"Registered mortgage loan originator" means any individual who meets the definition of mortgage loan originator and is an employee of:

(a) A depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration; and

(b) Is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry.

"Residential mortgage loan" means any loan primarily for personal, family, or household use secured by a mortgage or deed of trust on residential real estate upon which is constructed or intended to be constructed a single family dwelling or multiple family dwelling of four or less units.

For purposes of this definition, a loan "primarily for personal, family, or household use" includes loan applications for a finance or refinance of a primary residence for any purpose, loan applications on second homes, and loan applications on nonowner occupied residential real estate provided the licensee has knowledge that proceeds of the loan are intended to be used primarily for personal, family or household use.

"Residential mortgage loan modification" means a change in one or more of a residential mortgage loan's terms or conditions. Changes to a residential mortgage loan's terms or conditions include, but are not limited to, forbearances; repayment plans; changes in interest rates, loan terms, or loan types; capitalizations of arrearages; or principal reductions. Loan modification does not include services that result in refinancing a residential mortgage loan.

"Residential mortgage loan modification services" includes negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a residential mortgage loan modification. "Residential mortgage loan modification services" also includes the collection of data for submission to any entity performing mortgage loan modification services.

"Residential real estate" is real property upon which is constructed or intended to be constructed, a single family dwelling or multiple family dwelling of four or less units.

• Residential real estate includes, but is not limited to:

– A single family home;

– A duplex;

– A triplex;

– A fourplex;

– A single condominium in a condominium complex;

– A single unit within a cooperative;

– A manufactured home (~~(when the home and real property together will secure the residential mortgage loan)~~); or

– A fractile, fee simple interest in any of the above.

• Residential real estate does not include:

– An apartment building or dwelling of five or more units; or

– A single piece of real estate with five or more single family dwellings unless each dwelling is capable of being financed independently of the other dwellings(~~(or~~

~~– Any dwelling on leased or rented land or space, such as dwellings in a manufactured home park unless the mortgage broker treats such property as residential real estate)~~).

"S.A.F.E. Act" means the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, or Title V of the Housing and Economic Recovery Act of 2008 (HERA), P.L. 110-289, effective July 30, 2008.

"Table-funding" means a settlement at which a mortgage loan is funded by a contemporaneous advance of loan funds and an assignment of the loan to the person advancing the funds. The mortgage broker originates the loan and closes the loan in its own name with funds provided contemporaneously by a lender to whom the closed loan is assigned.

"Third-party provider" means any person other than a mortgage broker or lender who provides goods or services to the mortgage broker in connection with the preparation of the borrower's loan and includes, but is not limited to, credit reporting agencies, title companies, appraisers, structural and pest inspectors, or escrow companies.

A lender is considered a third party only when the lender provides lock-in arrangements to the mortgage broker in connection with the preparation of a borrower's loan.

"Third-party residential mortgage loan modification services" means residential mortgage loan modification services offered or performed by any person other than the owner or servicer of the loan.

"Underwriting" means a lender's detailed credit analysis preceding the offering or making of a loan. The analysis may be based on information furnished by the borrower (employment history, salary, financial statements), the borrower's credit history from a credit report, the lender's evaluation of the borrower's credit needs and ability to pay, and an assessment of the collateral for the loan. While mortgage brokers may have access to various automated underwriting systems

to facilitate an evaluation of the borrower's qualifications, the mortgage broker who qualifies or approves a borrower in this manner is not the underwriter of the loan and cannot charge a fee for underwriting the loan. Third-party charges the mortgage broker incurs in using or accessing an automated system to qualify or approve a borrower may, like other third-party expenses, be passed on to the borrower.

"Unique identifier" means a number or other identifier assigned by protocols established by the nationwide mortgage licensing system and registry.

**AMENDATORY SECTION** (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-155 Mortgage brokers—General. (1) May I originate residential mortgage loans in Washington without a license?** No. Mortgage brokers and loan originators must have a valid Washington license, or be exempt from licensing pursuant to RCW 19.146.020, in order to originate residential mortgage loans. There is no "one-time, one loan" exception.

**(2) May I originate a Washington residential mortgage loan using the license of an already licensed or exempt Washington mortgage broker and then split the proceeds with that mortgage broker?** No. Mortgage broker licenses may only be used by the person named on the license. Mortgage broker licenses may not be transferred, sold, traded, assigned, loaned, shared, or given to any other person. Two individually licensed mortgage brokers may originate a loan. Each licensee is itemized in the disclosures and is paid their proportionate share of fees in relation to the work provided at the loan closing. Federal laws may prohibit this cobrokering.

**(3) Do I need a license to assist a borrower with a residential mortgage loan modification?** Yes. Persons providing loan modification services for compensation or gain must be licensed under this chapter, or under chapter 31.04 RCW. See also WAC 208-660-XXX and XXX-XX-XXX.

**(4) As a licensed mortgage broker, am I responsible for the actions of my employees and independent contractors?** Yes. You are responsible for any conduct violating the act or these rules by any person you employ, or engage as an independent contractor, to work in the business covered by your license.

**~~((4))~~ (5) Who at the licensed mortgage broker company is responsible for the licensee's compliance with the act and these rules?** The designated broker, principals, and owners with supervisory authority are responsible for the licensee's compliance with the act and these rules.

**~~((5))~~ (6) What is the nature of my relationship with the borrower?** You have a fiduciary relationship with the borrower. See RCW 19.146.095.

**~~((6))~~ (7) May I charge upfront broker fees when assisting the borrower in applying for a loan?** No. You may only charge the borrower a fee, commission, or other compensation for the preparation, negotiation, and brokering of a residential mortgage loan when the loan is closed on the terms and conditions agreed upon by you and the borrower.

**~~((7))~~ (8) May I charge fees when the loan does not close, or does not close on the terms and conditions agreed**

**upon by me and the borrower?** You may charge a fee, and may bring a suit for collection of the fee, not to exceed three hundred dollars, for services rendered, for the preparation of documents, or for the transfer of documents in the borrower's file which were prepared for, or paid for by, the borrower if:

(a) You have obtained a written commitment from a lender on the same terms and conditions agreed upon by you and the borrower; and

(b) The borrower fails to close on a loan through no fault of yours; and

(c) The fee is not otherwise prohibited by the Truth in Lending Act.

**~~((8))~~ (9) As a mortgage broker, may I solicit or accept fees from a borrower in advance to pay third-party providers?** Yes. However, prior to accepting the funds, you must provide the borrower in writing a notice identifying the specific third-party provider goods and services the funds are to be used for. Additionally, you must not charge the borrower more for the third-party provider goods and services than the actual costs of the goods and services charged by the provider. Once you have the funds you must then:

(a) Deposit the funds in a trust account pursuant to the act and these rules (see WAC 208-660-410 on Trust accounting);

(b) Refund any fees collected for goods or services not provided.

**~~((9))~~ (10) What is a "written commitment from a lender on the same terms and conditions agreed upon by the borrower and mortgage broker"?** The written commitment is a written agreement or contract between the mortgage broker and lender containing mutually acceptable loan provisions and terms. The lender must be one with whom the mortgage broker maintains a written correspondent or loan brokerage agreement as required by RCW 19.146.040(3). The mutually acceptable loan provisions and terms must be the same terms and conditions set forth in the most recent good faith estimate signed by both the borrower and the mortgage broker.

**~~((10))~~ (11) How do I sponsor a loan originator?** You must file a sponsorship request through the NMLSR.

**~~((11))~~ (12) What action must a mortgage broker take to terminate a working relationship with a loan originator?** The licensed mortgage broker must process the termination through the NMLSR.

**~~((12))~~ (13) When must I update my record in the NMLSR after I terminate employment with a loan originator?** You must process the termination through the NMLSR within five business days of the termination.

**~~((13))~~ (14) Are there any loan originator compensation models I am prohibited from using?** Yes. You are prohibited from using a compensation model for loan originators based on a loan's interest rate or other terms. You are not prohibited from basing compensation on the principal balance of a loan.

AMENDATORY SECTION (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-175 Mortgage brokers—Surety bond.**

**(1) What are the surety bond requirements for licensed mortgage brokers?**

(a) Mortgage brokers must at all times have a valid surety bond on file with the director. The surety bond must be provided on a form prescribed by the department.

(b) The surety bond amount must be based upon the annual loan origination volume of the licensee in the state of Washington.

(c) When the mortgage broker initially applies for a license, the dollar amount of the surety bond must be a minimum of twenty thousand dollars. Thereafter, by March 31st of each year, you must determine your required bond amount based on loan origination volume and provide DFI with proof of having an adequate bond.

(d) The surety bond must list the mortgage broker's full name, unified business identifier (UBI), and NMLSR unique identifier.

(e) The surety bond must be signed by a principal of the mortgage broker as well as an authorized representative of the insurance company listed as surety. The power-of-attorney must identify the signing representative as authorized by the insurance company. The insurance company must include their surety bond number and seal on the surety bond form.

The following chart shows the surety bond amount required for the annual loan origination volume of the licensee in the state of Washington:

Loan Volume in Millions	Bond Amount
\$40+	\$60,000
\$20 to \$40	\$40,000
\$0 to \$20	\$20,000

(f) If you only offer residential mortgage loan modification services, your bond amount is \$.....

(g) If you only provide residential mortgage loan modification services, your bond amount is \$..... initially and \$..... annually thereafter.

**(2) Who provides mortgage broker surety bonds?** To purchase a surety bond, contact your insurance broker. A list of insurance companies that underwrite Washington surety bonds in Washington is available from the Washington state office of the insurance commissioner's web site.

**(3) What do I do with the surety bond once I receive it from my insurance company?** You must sign the original surety bond and include the surety bond and the attached power-of-attorney with your license application package.

**(4) What happens to my mortgage broker license if my surety bond is canceled?** Failure to maintain a surety bond is a violation of the act and may result in an enforcement action against you.

**(5) May I change surety bond companies?** Yes. You may change your insurance provider at any time. Your current insurance company will issue a cancellation notice for your existing surety bond. The cancellation notice may be effective no less than thirty days following the director's receipt of the cancellation notice.

Prior to the cancellation date of the existing surety bond, you must have on file with the department a replacement surety bond. The replacement surety bond must be in effect on or before the cancellation date of the prior surety bond.

**(6) Why must I carry a surety bond to have a mortgage broker license?** The surety bond protects the state and any persons who suffer loss by reason of violations of any provision of the act or these rules by you or your employees or independent contractors.

**(7) Who may make a claim against a licensed mortgage broker's surety bond?** The director, or any person, including a third-party provider, who has been injured by a violation of the act, may make a claim against a bond.

**(8) How may I make a claim against a licensed mortgage broker's surety bond?** The department can provide you with the name of a licensed mortgage broker's surety bond provider. Contact the surety bond company and follow its required procedures to make your claim.

**(9) How long does the bond claim procedure take?** The time to complete a bond claim may vary among bonding companies. If the claimant is not a borrower, final judgment will not be entered prior to one hundred eighty days after the claim is filed.

**(10) When must I file a bond claim?** A bond claim must be filed within one year of the date of the act that causes the claim.

AMENDATORY SECTION (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-350 Loan originators—Licensing.** (1)

**How do I apply for a loan originator license? Your application consists of an on-line filing through the NMLSR and Washington specific requirements provided directly to DFI. You must pay an application fee through the NMLSR system. You also must:**

(a) **Be eighteen years or older.**

(b) **Have a high school diploma, an equivalent to a high school diploma, or three years experience in the industry. The experience must meet the criteria in WAC 208-660-250 (1)(e)(i) and (ii).**

(c) **Pass a licensing test.** You must take and pass the national and state components of the NMLSR tests. See WAC 208-660-360, Loan originators—Testing.

(d) **Submit an application.** You must submit an on-line application through the NMLSR.

(e) **Prove your identity.** You must provide information to prove your identity.

(f) **Pay the application fee.** You must pay an application fee for your application, as well as an administrative fee to the NMLSR. See WAC 208-660-550, Department fees and costs.

**(2) In addition to reviewing my application, what else will the department consider to determine if I qualify for a loan originator license?**

(a) **General fitness and prior compliance actions.** The department will investigate your background to see that you demonstrate the experience, character, and general fitness that commands the confidence of the community and creates a belief that you will conduct business honestly and fairly

within the purposes of the act. This investigation may include a review of the number and severity of complaints filed against you, or any person you were responsible for, and a review of any investigation or enforcement activity taken against you, or any person you were responsible for, in this state, or any jurisdiction. This investigation may also include a review of whether you have had a license issued under the act or any similar state statute suspended.

**(b) License suspensions or revocations.**

(i) You are not eligible for a loan originator license if you have been found to be in violation of the act or the rules ~~(or have had a license issued under the act or any similar state statute suspended).~~

(ii) You are not eligible for a loan originator license if you have ever had a license issued under the Mortgage Broker Practices Act or the Consumer Loan Act or any similar state statute revoked.

(iii) For purposes of (b) and (c) of this subsection, a "similar statute" may include states involving other financial services, such as insurance, securities, escrow or banking.

**(c) Criminal history.**

(i) You are not eligible for a loan originator license if you have ever been convicted of a felony involving an act of fraud, dishonesty, breach of trust, or money laundering.

(ii) You are not eligible for a loan originator license if you have been convicted of a gross misdemeanor involving dishonesty or financial misconduct, or a felony not involving fraud, dishonesty, breach of trust, or money laundering, within seven years of the filing of the present application.

**(d) Financial background.**

(i) The department will investigate your financial background including a review of your credit report to determine if you have demonstrated financial responsibility including, but not limited to, an assessment of your current outstanding judgments (except judgments solely as a result of medical expenses); current outstanding tax liens or judgments or other government liens ~~(and)~~ or filings; foreclosure within the last three years; or a pattern of seriously delinquent accounts within the past three years.

(ii) Specifically, you are not eligible to receive a loan originator license if you have one hundred thousand dollars or more of tax liens against you at the time of appointment by a licensed mortgage broker.

**(3) What will happen if my loan originator license application is incomplete?** After submitting your on-line application through the NMLSR, the department will notify you of any application deficiencies.

**(4) How do I withdraw my application for a loan originator license?** Once you have submitted the on-line application through NMLSR you may withdraw the application through NMLSR. You will not receive a refund of the NMLSR application fee but you may receive a partial refund of your licensing fee if the fee exceeds the department's actual cost to investigate the license application.

**(5) When will the department consider my loan originator license application to be abandoned?** If you do not respond as directed by the department's request for information and within fifteen business days, your loan originator license application is considered abandoned and you forfeit all fees paid. Failure to provide the requested information

will not affect new applications filed after the abandonment. You may reapply by submitting a new application package and new application fee.

**(6) What happens if the department denies my application for a loan originator license, and what are my rights if the license is denied?** Under the Administrative Procedure Act, chapter 34.05 RCW, you have the right to request a hearing. To request a hearing, notify the department, in writing, within twenty days from the date of the director's notice to you notifying you your license application has been denied. **See also WAC 208-660-009.**

**(7) How will the department provide me with my loan originator license?** The department may use any of the following methods to provide you with your loan originator license:

(a) A license sent to you electronically that you may print.

(b) A license verification available on the department's web site and accessible for viewing by the public.

**(8) May I transfer, sell, trade, assign, loan, share, or give my loan originator license to someone else?** No. A loan originator license authorizes only the individual named on the license to conduct the business at the location listed on the license.

**(9) How do I change information on my loan originator license?** You must submit an amendment to your license through the NMLSR. You may be charged a fee.

**(10) What is an inactive loan originator license?** When a licensed loan originator is not sponsored by a licensed or exempt company, the license is inactive. If a licensed loan originator works for a consumer loan company (chapter 31.04 RCW) as a W-2 employee, they may continue to do business under their inactive license until June 30, 2010, or until the company goes onto the NMLSR and sponsors their license.

**(11) When my loan originator license is inactive, must I continue to pay annual fees, and complete continuing education for that year?** Yes. You must comply with all the annual licensing requirements or you will be unable to renew your inactive loan originator license.

**(12) How do I activate my loan originator license?** The sponsoring company must submit a sponsorship request for your license through the NMLSR. The department will notify you and all the companies you are working with of the new working relationship if approved.

**(13) When may the department issue interim loan originator licenses?** To prevent an undue delay, the director may issue interim loan originator licenses with a fixed expiration date. The license applicant must have substantially met the initial licensing requirements, as determined by the director, to receive an interim license. In no case shall these requirements be less than the minimum requirements to obtain a license under the S.A.F.E. Act.

~~((One example of having substantially met the initial licensing requirements is: Submitting a complete application, paying all application fees, and the department having received and reviewed the results of the applicant's background check.))~~

**(14) When does my loan originator license expire?** The loan originator license expires annually on December

31st. If the license is an interim license, it may expire in less than one year.

**(15) How do I renew my loan originator license?**

(a) Before the license expiration date you must renew your license through the NMLSR. Renewal consists of:

- (i) Pay the annual assessment fee; and
- (ii) Meet the continuing education requirement.

(b) The renewed license is valid until it expires, or is surrendered, suspended or revoked.

**(16) If I let my loan originator license expire, must I apply to get a new license?** If you complete all the requirements for renewal on or before February 28th each year, you may renew an existing license. However, if you renew your license during this two-month period, in addition to paying the annual assessment on your license, you must pay an additional fifty percent of your annual assessment. See subsection (15) of this section for the license renewal requirements.

During this two-month period, your license is expired and you must not conduct any business under the act that requires a license.

Any renewal requirements received by the department must be evidenced by either a United States Postal Service postmark or department "date received" stamp prior to March 1st each year. If you fail to comply with the renewal request requirements prior to March 1st, you must apply for a new license.

**(17) If I let my loan originator license expire and then apply for a new loan originator license within one year of the expiration, must I comply with the continuing education requirements from the prior license period?** Yes. Before the department will consider your new loan originator application complete, you must provide proof of satisfying the continuing education requirements from the prior license period.

**(18) May I still originate loans if my loan originator license has expired?** No. Once your license has expired you may no longer conduct the business of a loan originator, or hold yourself out as a licensed loan originator, as defined in the act and these rules.

**(19) What happens to the loan applications I originated before my loan originator license expired?** Existing loan applications must be processed by the licensed mortgage broker or another licensed loan originator working for the mortgage broker.

**(20) May I surrender my loan originator's license?** Yes. Only you may surrender your license before the license expires through the NMLSR.

Surrendering your loan originator license does not change your civil or criminal liability, or your liability for any administrative actions arising from acts or omission occurring before the license surrender.

**(21) Must I display my loan originator license where I work as a loan originator?** No. Neither you nor the mortgage broker company is required to display your loan originator license. However, evidence that you are licensed as a loan originator must be made available to anyone who requests it.

**(22) If I operate as a loan originator on the internet, must I display my license number on my web site?** Yes. You must display your license number, and the license num-

ber and name as it appears on the license of the licensed mortgage broker you represent, on the web site.

**(23) Must I include my license number on any documents?** You must include your license number immediately following your name on solicitations, including business cards, advertisements, and residential mortgage loan applications.

**(24) When must I disclose my loan originator license number?** In the following situations you must disclose your loan originator license number and the name and license number of the mortgage broker you are associated with:

(a) When asked by any party to a loan transaction, including third party providers;

(b) When asked by any person you have solicited for business, even if the solicitation is not directly related to a mortgage transaction;

(c) When asked by any person who contacts you about a residential mortgage loan;

(d) When taking a residential mortgage loan application.

**(25) May I conduct business under a name other than the name on my loan originator license?** No. You must only use the name on your license when conducting business. If you use a nickname for your first name, you must use your name like this: "FirstName "Nickname" LastName."

**(26) Will I have to obtain an individual bond if the company I work for is exempt from licensing?** Reserved.

**(27) Will I have to file quarterly call reports if I have an individual bond?** Reserved.

AMENDATORY SECTION (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-430 Disclosure requirements. (1) What disclosures must I make to borrowers and when?** Within three business days of receiving a borrower's loan application, or receiving money from a borrower for third-party provider services, you, as a mortgage broker or loan originator on behalf of a mortgage broker, must make all disclosures required by RCW 19.146.030 (1), (2), (3), and 19.144.020. The one page disclosure summary required by RCW 19.144.020 must be dated when provided to the borrower. The disclosures must be in a form acceptable to the director.

**(2) What is the disclosure required under RCW 19.146.030(1)?** A full written disclosure containing an itemization and explanation of all fees and costs that the borrower is required to pay in connection with obtaining a residential mortgage loan, and specifying the fee or fees which inure to the benefit of the mortgage broker. A good faith estimate of a fee or cost must be provided if the exact amount of the fee or cost is not determinable. This subsection does not require disclosure of the distribution or breakdown of loan fees, discount, or points between the mortgage broker and any lender or investor.

The specific content of the disclosure required under RCW 19.146.030(1) is identified in RCW 19.146.030(2).

**(3) What is the disclosure required under RCW 19.146.030(2)?** Mortgage brokers must disclose the following content:

(a) The annual percentage rate, finance charge, amount financed, total amount of all payments, number of payments, amount of each payment, amount of points or prepaid interest and the conditions and terms under which any loan terms may change between the time of disclosure and closing of the loan; and if a variable rate, the circumstances under which the rate may increase, any limitation on the increase, the effect of an increase, and an example of the payment terms resulting from an increase.

Disclosure in compliance with the requirements of the Truth-in-Lending Act and Regulation Z, as now or hereafter amended, is considered compliance with the disclosure content requirements of this subsection; however, RCW 19.146.030(1) governs the delivery requirement of these disclosures;

(b) The itemized costs of any credit report, appraisal, title report, title insurance policy, mortgage insurance, escrow fee, property tax, insurance, structural or pest inspection, and any other third-party provider's costs associated with the residential mortgage loan. Disclosure through good faith estimates of settlement services and special information booklets in compliance with the requirements of RESPA and Regulation X, as now or hereafter amended, is considered compliance with the disclosure content requirements of this subsection; however, RCW 19.146.030(1) governs the delivery requirement of these disclosures;

(c) If applicable, the cost, terms, duration, and conditions of a lock-in agreement and whether a lock-in agreement has been entered, and whether the lock-in agreement is guaranteed by the mortgage broker or lender, and if a lock-in agreement has not been entered, disclosure in a form acceptable to the director that the disclosed interest rate and terms are subject to change;

(d) A statement that if the borrower is unable to obtain a loan for any reason, the mortgage broker must, within five days of a written request by the borrower, give copies of any appraisal, title report, or credit report paid for by the borrower, to the borrower, and transmit the appraisal, title report, or credit report to any other mortgage broker or lender to whom the borrower directs the documents to be sent;

(e) Whether and under what conditions any lock-in fees are refundable to the borrower; and

(f) A statement providing that moneys paid by the borrower to the mortgage broker for third-party provider services are held in a trust account and any moneys remaining after payment to third-party providers will be refunded.

**(4) What is the disclosure required under RCW 19.144.020?** See WAC 208-600-200.

**(5) How do I disclose my yield spread premium (YSP) from the lender?**

(a) You must disclose the YSP as a dollar amount credited to the borrower on the GFE.

(b) You must direct the settlement service provider to disclose the YSP on line 802 on the HUD-1 or equivalent settlement statement. The YSP must be expressed as a dollar amount.

(c) Failure to properly disclose the yield spread premium (YSP) is a violation of RCW 19.146.0201 (6) and (11), and RESPA.

**(6) Are there additional disclosure requirements related to interest rate ((lock-ins)) locks?** Yes. Pursuant to

RCW 19.146.030(3), if subsequent to the written disclosure being provided under this section, a mortgage broker or loan originator enters into a ((lock-in)) rate lock agreement with a borrower or represents to the borrower that the borrower has entered into a ((lock-in)) rate lock agreement, then within three business days the mortgage broker or loan originator must deliver or send by first-class mail to the borrower a written confirmation of the terms of the ((lock-in)) rate lock agreement, which must include a copy of the disclosure made under subsection (3)(c) of this section.

**(7) What must I disclose to the borrower if they do not choose to enter into a ((lock-in)) rate lock agreement?** If a ((lock-in)) rate lock agreement has not been entered into, you must disclose to the borrower that the disclosed interest rate and terms are subject to change.

**(8) Will a ((lock-in)) rate lock agreement always guarantee the interest rate and terms?** No. A ((lock-in)) rate lock agreement may or may not be guaranteed by the mortgage broker or lender. The ((lock-in)) rate lock agreement must clearly state whether the ((lock-in)) rate lock agreement is guaranteed by the mortgage broker or lender.

**(9) Must a mortgage broker enter into a ((lock-in)) rate lock agreement with a borrower?** No. The statute does not require a mortgage broker to enter into a ((lock-in)) rate lock agreement with a borrower.

**(10) Are there any model forms that suffice for the disclosure content under RCW 19.146.030(2)?** Yes. The following model forms are acceptable forms of disclosure:

(a) For RCW 19.146.030 (2)(a), mortgage brokers are encouraged to use the federal truth-in-lending disclosure form for mortgage loan transactions provided under the Truth-in-Lending Act and Regulation Z, as now or hereafter amended. However, the federal truth-in-lending disclosure only suffices for the content of disclosures under RCW 19.146.030 (2)(a). The delivery of disclosures is governed by RCW 19.146.030(1).

(b) For RCW 19.146.030 (2)(b), mortgage brokers are encouraged to use the federal good faith estimate disclosure form provided under the Real Estate Settlement Procedures Act and Regulation X, as now or hereafter amended. However, the federal good faith estimate disclosure only suffices for the content of disclosures under RCW 19.146.030 (2)(b). The delivery of disclosures is governed by RCW 19.146.030(1).

(c) For RCW 19.146.030 (2)(c), (d), (e), (f) and (3), the department encourages mortgage brokers to use the department published model disclosure forms that can be found on the department's web site.

**(11) May my mortgage broker fees increase following the disclosures required under RCW 19.146.030(1)?** Pursuant to RCW 19.146.030(4), a mortgage broker must not charge any fee that inures to the benefit of the mortgage broker if it exceeds the fee disclosed on the initial written good faith estimate disclosure required in RCW 19.146.030 (1) and (2)(b), unless:

(a) The need to charge the fee was not reasonably foreseeable at the time the written disclosure was provided; and

(b) The mortgage broker has provided to the borrower, no less than three business days prior to the signing of the loan closing documents, a clear written explanation of the fee

and the reason for charging a fee exceeding that which was previously disclosed.

(12) **Are there any situations in which fees that benefit the mortgage broker can increase without additional disclosure?** Yes, there are two possible situations where an increase in the fees benefiting the mortgage broker may increase without the requirement to provide additional disclosures. These situations are:

(a) The additional disclosure is not required if the borrower's closing costs, excluding prepaid escrowed costs of ownership, on the final settlement statement do not exceed the total closing costs, excluding prepaid escrowed costs of ownership, in the most recent good faith estimate provided to the borrower. For purposes of this section "prepaid escrowed costs of ownership" mean any amounts prepaid by the borrower for the payment of taxes, property insurance, interim interest, and similar items in regard to the property used as security for the loan; or

(b) The fee or set of fees that benefit the mortgage broker are disclosed as a percentage of the loan amount and the increase in fees results from an increase in the loan amount, provided that:

(i) The increase in loan amount is requested by the borrower; and

(ii) The fee or set of fees that are calculated as a percentage of the loan amount have been disclosed on the initial written disclosure as both a percentage of the loan amount and as a dollar amount based upon the assumed loan amount used in the initial written disclosure; and

(iii) The total aggregate increase in the fee or set of fees that benefit the mortgage broker as a result of the increase in loan amount is less than seven hundred fifty dollars.

This section does not apply to the disclosure required in RCW 19.144.020.

(13) **What action may the department take if I improperly disclose my mortgage broker fees on the good faith estimate and HUD-1/1A statement?** If you fail to disclose your mortgage broker fees as required, the department may request, direct, or order you to refund those fees to the borrower if the result of that disclosure resulted in confusion or deception to the borrower.

(14) **May the department take action against a mortgage broker when mortgage broker fees are disclosed incorrectly on the HUD-1/1A and the incorrect disclosure was made by an independent escrow agent, title company, or lender?** If the mortgage broker can show the department that they disclosed their fees correctly on the good faith estimate, and have instructed the independent escrow agent, title company, or lender to disclose the fees correctly on the HUD-1/1A, and the independent escrow agent, title company, or lender has not followed the instructions, the department may not take action against the mortgage broker.

(15) **What action may the department take if I fail to provide additional disclosures as required under RCW 19.146.030(4)?** Generally, the department may request, direct, or order you to refund fees.

(16) **How will the department determine whether to request, direct or order me to refund fees to the borrowers?** Generally, the department will make its determination by answering the following questions:

(a) Has an initial good faith estimate disclosure of costs been provided to the borrower in accordance with RCW 19.146.030 (1) and (2)(b)?

(b) Were any subsequent good faith estimate disclosures of costs provided to the borrower no less than three business days prior to the signing of the loan closing documents? Additionally, was the subsequent disclosure accompanied by a clear written explanation of the change?

(c) How were the costs disclosed in each good faith estimate (e.g., dollar amount, percentage, or both)?

(d) Did the total costs, excluding prepaid escrowed costs of ownership, on the final settlement statement exceed the total closing costs, excluding prepaid escrowed costs of ownership, in the most recent good faith estimate provided to the borrower no less than three business days prior to the signing of the loan closing documents?

(e) If the costs at closing did exceed the most recent disclosure of costs was the need to charge the fee reasonably foreseeable at the time the written disclosure was provided?

(f) If the costs at closing did exceed the most recent disclosure of costs did the mortgage broker provide a clear written explanation of the fee and the reason for charging a fee exceeding that which was previously disclosed, no less than three business days prior to the signing of the loan closing documents?

(17) **If I failed to provide the initial good faith estimate or TILA disclosure under RCW 19.146.030 (1) and (2)(a) and (b) what action may the department take?** If you have not provided the initial good faith estimate or TILA disclosure as required, including both delivery and content requirements, the department may request, direct or order you to refund to the borrower fees that inured to your benefit.

(18) **If I received trust funds from a borrower, but failed to provide the disclosures as required in RCW 19.146.030 (1) and (2), what action may the department take?** If you did not provide the disclosures as required, including both delivery and content requirements, the department may request, direct, or order you to refund to the borrower any trust funds they have paid regardless of whether you have already expended those trust funds on third-party providers.

(19) **Under what circumstances must I redisclose the initial disclosures required under the act?** Generally, any loan terms or conditions that change must be redisclosed to the borrower no less than three business days prior to the signing of the loan closing documents. Some examples are:

(a) Adjustable rate loan terms, including index, margin, and any changes to the fixed period.

(b) The initial fixed period.

(c) Any balloon payment requirements.

(d) Interest only options and any changes to the options.

(e) Lien position of the loan.

(f) Terms and the number of months or years for amortization purposes.

(g) Prepayment penalty terms and conditions.

(h) Any other term or condition that may be specific to a certain loan product.

(20) **If a loan application is canceled or denied within three days of application must I provide the disclosures required under RCW 19.146.030?** If you have not used any

borrower trust funds and those funds have been returned to the borrower in conformance with these rules, the disclosures pursuant to RCW 19.146.030 are not required.

**(21) Is a mortgage broker that table funds a loan exempt from disclosures?** No. A mortgage broker must provide all disclosures required by the act, and disclose all fees as required by Regulation X, regardless of the funding mechanism used in the transaction.

**(22) What must I provide to the borrower if I am unable to complete a loan for them and they have paid for services from third-party providers?** If you are unable to complete a loan for the borrower for any reason, and if the borrower has paid you for third-party provider services, and the borrower makes a written request to you, you must provide the borrower with copies of the product from any third-party provider, including, but not limited to, an appraisal, title report, or credit report. You must provide the copies within five business days of the borrower's request.

The borrower may also request that you provide the originals of the documents to another mortgage broker or lender of the borrower's choice. By furnishing the originals to another mortgage broker or lender, you are conveying the right to use the documents to the other broker or lender. You must, upon request by the other broker or lender, provide written evidence of the conveyance. You must provide the originals to the mortgage broker or lender within five business days of the borrower's request.

**(23) Must I provide a written fee agreement when I provide residential mortgage loan modification services?** Yes. You must provide a written fee agreement as prescribed by the director when providing residential mortgage modification services. You must provide a copy of the signed fee agreement to the consumer and you must keep a copy as part of your books and records.

#### NEW SECTION

**WAC 208-660-445 May I advertise over the internet using a URL address that is not my licensed business name?** Yes, provided that any URL address you advertise takes the user directly to your main or home web page. If you want the user to be directed to a different main or home web page, the URL address must contain your license name in addition to any other names or words in the URL address. URL addresses may be used as DBA names upon request to and approval from DFI.

#### NEW SECTION

**WAC 208-660-446 When I advertise using the internet or any electronic form (including, but not limited to, text messages), is there specific content advertisements must contain?** Yes. You must provide the following language, in addition to any other, on your web pages or in any medium where you hold yourself out as being able to provide the services:

(1) MAIN OR HOME PAGE.

(a) The company's license name and NMLS unique identifier must be displayed on the licensee's main or home web page.

(b) If loan originators are named, their NMLS numbers must follow the names.

(c) The main or home page must also contain a link to the NMLS consumer access web site page for the company.

(2)(a) BRANCH OFFICE WEB PAGE - NO DBA. Comply with subsection (1) of this section.

(b) Main office, or branch office web page - DBA. If the company uses a DBA on a web page the web page must contain the main office license name, and the information in subsection (1)(b) of this section, and the web page must contain a link to the NMLS consumer access web site page for the company.

(3) LOAN ORIGINATOR WEB PAGE. If a loan originator maintains a separate home or main page, the URL address to the site must be a DBA of the licensee and the licensee's name must appear on the web page. The web page must also contain the loan originator's NMLS number and a link to the NMLS consumer access web page for the company.

(4) COMPLIANCE WITH OTHER LAWS. Web site content used to solicit Washington consumers must comply with all relevant Washington state and federal statutes for specific services and products advertised on the web site.

(5) OVERSIGHT. The company is responsible for web site content displayed on all web pages used to solicit Washington consumers including main, branch, and loan originators' web pages.

AMENDATORY SECTION (Amending WSR 09-24-091, filed 12/1/09, effective 1/1/10)

**WAC 208-660-500 Prohibited practices. (1) What may I request of an appraiser?** You may request an area or market survey. While there are no strict definitions of these terms, generally they refer to general information regarding a region, area, or plat. The information usually includes the high, low and average sales price, numbers of properties available for sale or that have been sold within a set period, marketing times, days on market, absorption rate or the mixture of different property types in the specified area, among other possible components. An area survey does not contain sufficient information or is not so defining as to allow an appraiser or reader to determine the value of a specified property or property type.

(2) **How may I discuss property values with an appraiser, prior to the appraisal, without the discussion constituting improperly influencing the appraiser?** You may inform the appraiser of your opinion of value, the borrower's opinion of value, or the list or sales price of the property. You are prohibited from telling the appraiser the value you need or that is required for your loan to be successful.

(3) **What business practices are prohibited?** The following business practices are prohibited:

(a) Directly or indirectly employing any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any person.

(b) Engaging in any unfair or deceptive practice toward any person.

(c) Obtaining property by fraud or misrepresentation.

(d) Soliciting or entering into a contract with a borrower that provides in substance that the mortgage broker may earn

a fee or commission through the mortgage broker's "best efforts" to obtain a loan even though no loan is actually obtained for the borrower.

(e) Charging discount points on a loan which does not result in a reduction of the interest rate. Some examples of discount point misrepresentations are:

(i) A mortgage broker or lender charging discount points on the good faith estimate or settlement statement payable to the mortgage broker or any party that is not the actual lender on the resident mortgage loan.

(ii) Charging loan fees or mortgage broker fees that are represented to the borrower as discount points when such fees do not actually reduce the rate on the loan, or reflecting loan origination fees or mortgage broker fees as discount points.

(iii) Charging discount points that are not mathematically determinable as the same direct reduction of the rate available to any two borrowers with the same program and underwriting characteristics on the same date of disclosure.

(iv) Charging total fees in excess of usual and customary charges, or total fees that are not reasonable in light of the service provided when providing residential mortgage loan modification services.

(f) Failing to clearly and conspicuously disclose whether a payment advertised or offered for a residential mortgage loan includes amounts for taxes, insurance, or other products sold to the borrower. This prohibition includes the practice of misrepresenting, either orally, in writing, or in any advertising materials, a loan payment that includes only principal and interest as a loan payment that includes principal, interest, tax, and insurance.

(g) Failing to provide the exact pay-off amount of a loan you own or service as of a certain date five or fewer business days after being requested in writing to do so by a borrower of record or their authorized representative.

(h) Failing to record a borrower's payment, on a loan you own or service, as received on the day it is delivered to any of the licensee's locations during its regular working hours.

(i) Negligently making any false statement or willfully making any omission of material fact in connection with any application or any information filed by a licensee in connection with any application, examination or investigation conducted by the department.

(j) Purchasing insurance on an asset secured by a loan without first attempting to contact the borrower by mailing one or more notices to the last known address of the borrower in order to verify that the asset is not otherwise insured.

(k) Willfully filing a lien on property without a legal basis to do so.

(l) Coercing, intimidating, or threatening borrowers in any way with the intent of forcing them to complete a loan transaction.

(m) Failing to reconvey title to collateral, if any, within thirty days when the loan is paid in full unless conditions exist that make compliance unreasonable.

(n) Failing to make disclosures to loan applicants and noninstitutional investors as required by RCW 19.146.030 and any other applicable state or federal law.

(o) Making, in any manner, any false or deceptive statement or representation with regard to the rates, points, or

other financing terms or conditions for a residential mortgage loan. An example is advertising a discounted rate without clearly and conspicuously disclosing in the advertisement the cost of the discount to the borrower and that the rate is discounted.

(p) Engage in bait and switch advertising.

Bait and switch means a deceptive practice of soliciting or promising a loan at favorable terms, but later "switching" or providing a loan at less favorable terms. While bait and switch will be determined by the facts of a case, the following examples, alone or in combination, may exhibit a bait and switch practice:

(i) A deceptive change of loan program from fixed to variable rate.

(ii) A deceptive increase in interest rate.

(iii) The misrepresentation of discount points. This may include discount points that have a different rate buydown effect than promised, or origination fees that a borrower has been led to believe are discount points affecting the rate.

(iv) A deceptive increase in fees or other costs.

(v) A deceptive disclosure of monthly payment amount. This practice may involve soliciting a loan with payments that do not include monthly amounts for taxes and insurance or other reserved items, while leading the borrower to believe that such amounts are included.

(vi) Additional undisclosed terms such as prepayment penalties or balloon payments, or deceiving borrowers about the effect of disclosed terms.

(vii) Additional layers of financing not previously disclosed that serve to increase the overall cost to the borrower. This practice may involve the surprise combination of first and second mortgages to achieve the originally promised loan amount.

(viii) Leading borrowers to believe that subsequent events will be possible or practical when in fact it is known that the events will not be possible or practical.

(ix) Advertising or offering rates, programs, or terms that are not actually available at the time. See WAC 208-660-440(5).

(q) Engage in unfair or deceptive advertising practices. Unfair advertising may include advertising that offends public policy, or causes substantial injury to consumers or to competition in the marketplace.

(r) Negligently making any false statement or knowingly and willfully make any omission of material fact in connection with any reports filed by a mortgage broker or in connection with any investigation conducted by the department.

(s) Making any payment, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property.

(t) Advertising a rate of interest without clearly and conspicuously disclosing the annual percentage rate implied by the rate of interest.

(u) Failing to comply with the federal statutes and regulations in RCW 19.146.0201(11).

(v) Failing to pay third-party providers within the applicable timelines.

(w) Collecting or charging, or attempting to collect or charge, or use or propose any agreement purporting to collect or charge any fees prohibited by the act.

(x) Acting as a loan originator and real estate broker or salesperson, or acting as a loan originator in a manner that violates RCW 19.146.0201(14).

(y) Failing to comply with any provision of RCW 19.146.030 through 19.146.080 or any rule adopted under those sections.

(z) Intentionally delay closing of a residential mortgage loan for the sole purpose of increasing interest, costs, fees, or charges payable by the borrower.

(aa) Steering a borrower to less favorable terms in order to increase the compensation paid to the company or mortgage loan originator.

(bb) Receiving compensation or any thing of value from any source for acting as a mortgage loan originator in a transaction where a residential property sale closes either simultaneously with or in the same day as a short sale transaction of the same residential property, when the sales prices of the property in the two transactions varies by more than ten thousand dollars.

(cc) Receiving compensation or any thing of value from any party for aiding or abetting real estate "flopping." Flopping occurs during some short sales where the value of the property is misrepresented to the lender who sells the property for less than market value. The property may then be quickly resold for a significant profit to the parties involved. The failure to disclose the true value of the property to the lender constitutes fraud on the lender in violations of the act. (Placeholder language.)

**(4) What additional practices are prohibited when providing residential mortgage loan modification services? You are prohibited from:**

(a) Collecting an advance fee of more than seven hundred fifty dollars;

(b) Collecting an advance fee without a written fee agreement (see also WAC 208-660-XXX);

(c) As a condition to providing loan modification services requiring or encouraging a borrower to:

(i) Sign a waiver of his or her legal defenses, counterclaims, and other legal rights against the servicer for future acts;

(ii) Sign a waiver of his or her right to contest a future foreclosure;

(iii) Waive his or her right to receive notice before the owner or servicer of the loan initiates foreclosure proceedings;

(iv) Agree to pay charges not enumerated in any agreement between the borrower and the lender, servicer, or owner of the loan;

(v) Cease communication with the lender, investor, or loan servicer or stop or delay making regularly scheduled payments on an existing mortgage unless a mortgage loan modification is completely negotiated and executed with the lender or investor and the modification agreement itself provides for a cessation or delay in making regularly scheduled payments; or

(d) Entering into any contract or agreement to purchase a borrower's property;

(e) Failing in a timely manner to:

(i) Communicate with or on behalf of the borrower;

(ii) Act on any reasonable request from or take any reasonable action on behalf of a borrower;

(f) Engaging in false or misleading advertising. In addition to WAC 208-620-630, examples of false or misleading advertising include:

(i) Advertising which includes a "guarantee" unless there is a bona fide guarantee which will benefit a borrower;

(ii) Advertising which makes it appear that a licensee has a special relationship with lenders when no such relationship exists;

(g) Leading a borrower to believe that the borrower's credit record will not be negatively affected by a mortgage loan modification when the licensee has reason to believe that the borrower's credit record may be negatively affected by the mortgage loan modification.

**((4)) (5) What federal guidance has the director adopted for use by the department in determining if a violation under subsection (3)(b) of this section has occurred?** The director has adopted the following documents:

(a) The Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators "Guidance on Nontraditional Mortgage Product Risks" (released November 14, 2006); and

(b) The Conference of State Bank Supervisors, American Association of Residential Mortgage Regulators, and National Association of Consumer Credit Administrators "Statement on Subprime Mortgage Lending," effective July 10, 2007 (published in the Federal Register at Vol. 72, No. 131).

**((5)) (6) What must I do to comply with the federal guidelines on nontraditional mortgage loan product risks and statement on subprime lending?** You must adopt written policies and procedures implementing the federal guidelines that are applicable to your mortgage broker business. The policies and procedures must be maintained as a part of your books and records and must be made available to the department upon request.

**((6)) (7) When I develop policies and procedures to implement the federal guidelines, what topics must be included?** The policies and procedures must include, at a minimum, the following:

**(a) Consumer protection.**

**Communication with borrowers.** Providers must focus on information important to consumer decision making; highlight key information so that it will be noticed; employ a user-friendly and readily navigable format for presenting the information; and use plain language, with concrete and realistic examples. Comparative tables and information describing key features of available loan products, including reduced documentation programs, also may be useful for consumers. Promotional materials and other product descriptions must provide information about the costs, terms, features, and risks of nontraditional mortgages that can assist consumers in their product selection decisions. Specifically:

- Borrowers must be advised of potential increases in payment obligations. The information should describe when structural payment changes will occur and what the new pay-

ment would be or how it was calculated. For example, loan products with low initial payments based on a fixed introductory rate that expires after a short time and then adjusts to a variable index rate plus a margin must be adequately described to the borrower. Because initial and subsequent monthly payments are based on these low introductory rates, a wide initial spread means that borrowers are more likely to experience negative amortization, severe payment shock, and an earlier than scheduled recasting of monthly payments.

- Borrowers must be advised as to the maximum amount their monthly payment may be if the interest rate increases to its maximum rate under the terms of the loan.

- Borrowers must be advised as to the maximum interest rate that can occur under the terms of the loan.

- Borrowers must be alerted to the fact that the loan has a prepayment penalty and the amount of the penalty.

- Borrowers must be made aware of any pricing premium based on reduced documentation.

**(b) Control standards.**

(i) Actual practices must be consistent with the written policies and procedures. Employees must be trained in the policies and procedures and performance monitored for compliance. Incentive programs should not produce high concentrations of nontraditional products. Performance measures and reporting systems should be designed to provide early warning of increased risk.

(ii) Reporting to DFI. In a separate written document, as prescribed by the director and submitted with the mortgage broker annual report, every licensee must submit information regarding the offering of nontraditional mortgage loan products.

~~((7))~~ **(8) May I charge a loan origination fee or discount points when I originate but do not make a loan?** No. You may not charge a loan origination fee or discount points as described in Regulation X, Part 3500, Appendix A.

~~((8))~~ **(9) What mortgage broker fees may I charge?** You may charge a mortgage broker fee that was agreed upon between you and the borrower as stated on a good faith estimate disclosure form or similar document provided that such fee is disclosed in compliance with the act and these rules.

~~((9))~~ **(10) How do I disclose my mortgage broker fees on the good faith estimate and settlement statement?** You must disclose or direct the disclosure of your fees on the good faith estimate and HUD-1/1A Settlement Statement or similar document.

~~((10))~~ **(11) May I charge the borrower a fee that exceeds the fee I initially disclosed to the borrower?** Pursuant to RCW 19.146.030(4), you may not charge any fee that benefits you if it exceeds the fee you initially disclosed unless:

- (a) The need to charge the fee was not reasonably foreseeable at the time the initial disclosure was provided; and

- (b) You have provided to the borrower, no less than three business days prior to the signing of the loan closing documents, a clear written explanation of the fee and the reason for charging a fee exceeding that which was previously disclosed. See WAC 208-660-430 for specific details, disclosures, and exceptions implementing RCW 19.146.030(4).

**WSR 10-16-135**

**PROPOSED RULES**

**DEPARTMENT OF  
FINANCIAL INSTITUTIONS**

(Division of Consumer Services)

[Filed August 4, 2010, 8:21 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-101.

Title of Rule and Other Identifying Information: Amending the rules (chapters 208-680A - 208-680G WAC) implementing the Escrow Agent Registration Act, chapter 18.44 RCW.

Hearing Location(s): John A. Cherberg Senate Building, Senate Hearing Room 1, Capitol Campus, Capitol Way, Olympia, Washington 98504, on September 15, 2010, at 9:00 a.m.

Date of Intended Adoption: October 5, 2010.

Submit Written Comments to: Phil Brady, P.O. Box 41200, Olympia, WA 98504-120 [98504-1200], e-mail pbrady@dfi.wa.gov, fax (360) 586-5068, by September 24, 2010.

Assistance for Persons with Disabilities: Contact Cindy Fazio by September 8, 2010, TTY (360) 664-8126 or (360) 902-8786.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The rules must be amended to implement the Laws of 2010, to generally increase clarity and consistency, and to reorganize the chapter to consolidate existing chapters 208-680A - 208-680G WAC into a single chapter to allow ease of use and on-line searching.

Reasons Supporting Proposal: The Laws of 2010 made significant changes to the Escrow Agent Registration Act, and the current organization of seven separate chapters makes it difficult to locate rules. Consolidating into a single chapter of the administrative code allows for more efficient searches.

Statutory Authority for Adoption: Chapter 43.320 RCW, chapter 34, Laws of 2010.

Statute Being Implemented: Chapter 18.44 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of financial institutions, governmental.

Name of Agency Personnel Responsible for Drafting: Phil Brady, 150 Israel Road S.W., Tumwater, WA 98501, (360) 902-8755; Implementation and Enforcement: Deborah Bortner, 150 Israel Road S.W., Tumwater, WA 98501, (360) 902-8800.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The rules will have no impact on small businesses. Any impacts felt by small businesses will be a result of the statutory enactments, not the rules.

A cost-benefit analysis is not required under RCW 34.05.328. Not applicable to the proposed rules.

August 4, 2010

Deborah Bortner, Director  
Division of Consumer Services

## Chapter 208-680 WAC

### ESCROW AGENT REGISTRATION ACT

#### GENERAL PROVISIONS

#### NEW SECTION

**WAC 208-680-030 Definitions. What definitions are applicable to these rules?** Unless the context clearly requires otherwise, the definitions in this section apply throughout these rules.

"Act" means the Escrow Agent Registration Act, codified under chapter 18.44 RCW.

"Applicant" means any person applying for an escrow officer license or any person or group of persons applying for an escrow agent license. The term "applicant" includes the officers and controlling persons of the applicant, as well as any escrow officer seeking to become an escrow agent's designated escrow officer or branch designated escrow officer.

"Branch designated escrow officer" means any licensed escrow officer designated by a licensed escrow agent and approved by the director to supervise a specific branch office. The branch designated escrow officer is the licensed escrow officer responsible for supervising an agent's handling of escrow transactions, management of the agent's trust account, and supervision of all other licensed escrow officers employed by the agent at his or her branch designated office.

"Cash deposit" means funds deposited, in lieu of an errors and omissions policy, in an account in a recognized Washington state depository which account is maintained separate and apart from the escrow agent's own funds. The funds shall be deposited in such a manner to permit only the director to withdraw from the principal amount. The escrow agent may withdraw any interest accumulated to the account.

"Closing" means the transfer of title of real or personal property or execution of a real estate contract whichever event occurs first.

"Completed escrow" means a transaction in which the escrow agent has fully discharged its duties to the principal parties to the transaction. This includes obtaining all necessary documents, obtaining required signatures, completing reconveyance or title elimination, and disbursing funds to the principal parties to the transaction, the agents to the transaction, and to third parties to the transaction as agreed by the principal parties in the escrow instructions or on the settlement form (such as HUD-1 or HUD-1A).

"Department" means the department of financial institutions.

"Designated escrow officer" means any licensed escrow officer designated by a licensed escrow agent and approved by the director as the licensed escrow officer responsible for supervising that agent's handling of escrow transactions, management of the agent's trust account, and supervision of

all licensed escrow officers and other persons employed by the agent.

"Director" means the director of the department of financial institutions or his or her duly authorized representative. For purposes of this act, the division of consumer services is deemed to be the director's authorized representative.

"Escrow instructions" are the instructions, signed by the principal parties to the transaction that identify the duties and responsibilities of the escrow agent in carrying out the escrow, that identify the thing or things of value held by the escrow agent and the specified condition or set of conditions under which the thing or things of value are to be transferred.

"Good funds" means funds in a bank account that are immediately usable by the owner of the account. Good funds may be derived from the monetary instruments described in RCW 18.44.400(3).

"Handling escrow transactions" means participating in escrow transactions. It includes, but is not limited to, having access to a client's: Personal information, financial records, or funds. Employees that perform administrative functions like payroll or human resources services are not handling escrow transactions unless such persons also perform duties meeting this definition.

"Investigation" means an inquiry undertaken for the purpose of detection of violations of the act and these rules or securing information lawfully required under the act and these rules. The director may make private or public investigations.

"Officers" of the escrow agent shall include the president, secretary, treasurer, vice-president, and any other equivalent persons with control over management decisions of the escrow agent.

"Overdue instrument" means a negotiable instrument that is overdue as defined in RCW 62A.3-304.

"Permanent record" means any record required to be kept under RCW 18.44.400 for a period of six years from the completion of the escrow transaction.

"Principal parties" means the buyers and sellers in a purchase transaction, and the borrower and lender in a refinance transaction.

"Providing escrow services" means conducting transactions, except the acts of a qualified intermediary in facilitating an exchange under section 1031 of the Internal Revenue Code, wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he or she is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

"Reconveyance" means an instrument used to transfer title from an individual holding such title in trust to the equitable owner of real estate, when title is held as collateral security for a debt.

"Responsible person" means the designated escrow officer; the owner of the firm; a controlling person as defined in RCW 18.44.011(12); and the officers, owners and partners of the entity. The department may allow another person to assume these duties.

"Third party to the transaction" means those persons providing professional services necessary for the closing of the escrow, including, but not limited to: Real estate brokers, lenders, mortgage brokers, attorneys, tax facilitators or underlying lien holders.

"Transfer of title" occurs at the time the seller executes a deed or bill of sale and such is delivered to the purchaser or recorded.

"Trust" means a fiduciary relationship whereby a thing of value is delivered to an escrow agent with the intention that such thing of value be administered by the escrow agent for the benefit of the principal parties to the transaction.

"Trust account" means a bank account holding funds of any party to the transaction.

"Unclaimed funds" means any funds that are abandoned under the Uniform Unclaimed Property Act, chapter 63.29 RCW.

#### NEW SECTION

**WAC 208-680-040 Exceptions—General.** (1) **Do I need an escrow license to provide escrow services?** Unless you fall into one of the exceptions in RCW 18.44.021, you must have a license under the act before providing escrow services.

(2) **I only plan on performing one or two escrow transactions. Do I need an escrow license?** Yes. You must license unless you meet one of the above exceptions. There is no exception under the act for persons performing limited numbers of transactions.

#### NEW SECTION

**WAC 208-680-045 Exceptions—Attorneys.** (1) **I am licensed to practice law in Washington. Am I exempt from licensing as an escrow agent?** Yes, as long as you only perform escrow services as part of your law practice. You are exempted from licensure as an escrow agent while you are engaged in the practice of law, but you are required to apply for and receive an escrow license before you perform escrow services outside of your legal practice. Your attorney exception may be extended to your bona fide legal practice, but is otherwise an individual exception and may not be extended to a separate business entity. Your exception may not be extended to nonattorney individuals unless they are employees of your bona fide law practice and you supervise all of their transactions.

You or your attorney-owned business entity will be required to license as an escrow agent if you or your business entity do one or more of the following:

- (a) Principally provide escrow services, not including escrow services provided incidentally to the practice of law;
- (b) Advertise yourself or your business entity as providing the services of an escrow agent without identifying yourself or your business entity as an attorney or law practice;

(c) Receive compensation or gain for providing escrow services through a business entity other than a bona fide law practice; or

(d) Permit nonattorney associates or employees to conduct escrow transactions without either a valid escrow officer license or an attorney's supervision.

(2) **I am licensed to practice law in Washington. Am I subject to the department's investigative authority?** Yes. The department has broad investigative authority under the act and these rules, and its investigatory authority is not restricted to persons who are required to obtain a license. The department has the power to investigate unlicensed persons and entities at least to the extent necessary to determine whether a violation of the act or these rules has occurred. This includes preliminary investigations of attorneys and business entities that claim the attorney exception from licensure.

Among other actions, the department may:

- (a) Compel written statements from or subpoena any person with relevant information;
- (b) Compel production of written materials and take evidence; and
- (c) Apply to a superior court for an order compelling compliance with its authority under the act.

For further information on the breadth of the department's investigative authority, see RCW 18.44.420 and WAC 208-680-620.

(3) **I am licensed to practice law in Washington. Am I subject to the department's examination authority?** Generally, no. Unless the department determines that the attorney exception from licensure does not apply to you or your business, you will not be subject to the department's examination authority under WAC 208-680-610. If the department has determined that the exception does not apply, the escrow portion of your business may be subject to regular examinations.

(4) **I am licensed to practice law in Washington and exempted from licensing under the act. Am I subject to other provisions of the act?** You may be subject to other provisions of the act for activities you conduct outside the practice of law. The attorney exception is a limited, individual exception from the act's licensure provision for actions undertaken while engaged in your professional, legal duties, and is not a general exemption from the act.

## LICENSING AND THE ESCROW OFFICER EXAMINATION

#### NEW SECTION

**WAC 208-680-110 Credit and character report.** **What kinds of credit and character reports must I provide with my application?**

(1) If you are applying for an escrow officer license, or are applying to be a designated escrow officer, you must provide:

- (a) Proof that you have passed the escrow officer examination; and

(b) Satisfactory proof of your character and credit rating, as provided by a recognized credit-reporting agency, and in a form approved by the director.

(2) If you are applying for an escrow agent license, you must provide satisfactory proof of character and credit rating for the natural person making the application and for all principal officers, designated or branch designated escrow officers, controlling persons and partners. If your applicant is a business entity and not a natural person, you must provide satisfactory proof of your entity's credit rating. This proof must be obtained and provided by a recognized credit-reporting agency in a form approved by the department.

#### NEW SECTION

**WAC 208-680-125 License not transferable.** (1) **Can I transfer my license to another person or entity?** No. Neither an escrow agent license nor an escrow officer's license may be transferred.

(2) **Can all or substantially all of the assets of an escrow agent be transferred to another person?** Yes. A licensed escrow agent may transfer all or substantially all of its assets to another person as long as the transfer is approved by the department and the receiving party (the transferee) has been issued an escrow agent license under the act prior to the transfer.

(3) **If I am transferring my assets to another escrow agent, what notification must I provide to the department?** You must provide written notice to the department at least thirty days before the effective date of the transfer. The written notice must include a copy of the signed transfer agreement that contains, at a minimum:

(a) A stipulation that the transferee is responsible for obtaining an escrow agent license and finding or designating a licensed escrow officer as a designated escrow officer before completion of the transfer;

(b) A stipulation that the transferee will obtain and submit to the director evidence of financial responsibility in the form of the required bond or bonds and errors and omission insurance in compliance with RCW 18.44.201 and these rules before completion of the transfer;

(c) A stipulation that the transferee is either restricted from using or authorized to use, the escrow agent's business name, unless this requirement is waived by the director; and

(d) A stipulation indicating which of the parties will:

(i) Make all payments due to principal parties on or before the effective date of the transfer;

(ii) Maintain and preserve the accounting and other records as required by RCW 18.44.400 and WAC 208-680-520 and 208-680-530; and

(iii) Provide notice of the transfer to all principal parties who have pending escrows or deposited funds with the escrow agent, or who have executed some other form of written agreement with the escrow agent. Such notice must be provided within five days in accordance with RCW 18.44.465.

(4) **If I am acquiring all or substantially all of the assets of an escrow agent, what notifications must I provide?** The department treats this kind of sale of assets as a change in a principal officer or controlling person. If you do

not have an escrow agent license, you must apply for and receive one. If you already have an escrow agent license, at least thirty days before you acquire all or substantially all of the assets of an escrow agent you must provide the department with all the information required of a principal officer or controlling person as if you were applying for a new license. The change of control transaction may not be completed until the transferee has received a license and provided the department with appropriate notices.

#### NEW SECTION

**WAC 208-680-130 What kind of background check and fingerprinting information may the department require with my application for an escrow agent license?**

(1) If you are applying for an escrow agent license:

(a) You must submit fingerprint identification for the natural person making the application, and for the principal officers, designated escrow officer and any controlling person. This identification must be submitted on standard Federal Bureau of Investigation fingerprint cardstock or another form acceptable to the department.

(b) You may be required, at the department's discretion, to provide additional background information any applicant, principal officer, designated escrow officer, controlling person, or partner. This may include any information the department deems necessary to satisfy the director that the requirements under RCW 18.44.031(2) have been met. The director may require that such information be reported in writing and signed by the reporting individuals.

(c) If you have been issued an escrow agent license and experience a change in one or more principal officers or controlling persons, you must submit fingerprints and such other information as the director may request under (b) of this subsection to the department thirty days prior to the effective date of the change in principal officer or controlling person.

(2) The department will collect a fingerprinting fee from you equal to the department's cost for processing fingerprints through the Washington state patrol.

#### NEW SECTION

**WAC 208-680-135 What kind of background check and fingerprinting information may the department require with my application for an escrow officer license?**

(1) If you are applying for an escrow officer license or to be a designated escrow officer:

(a) You must submit fingerprint identification on a form provided by the department.

(b) You may be required, at the department's discretion, to provide additional background information about yourself to ascertain your honesty, truthfulness, and good reputation. This information may include, but is not limited to: Residential address and telephone number, qualifications, employment history, a personal credit report, and other information that the director may deem appropriate under RCW 18.44.-031(2).

(2) The department will collect a fingerprinting fee from you equal to the department's cost for processing fingerprints through the Washington state patrol.

NEW SECTION

**WAC 208-680-145 Escrow officer examination. (1) How do I take the escrow officer examination?** While the director determines the form and content of the escrow officer examination with the advice of the escrow commission, the test is administered by a third-party company under a contract with the department. It is given at least annually. For information about the examination process and available dates, applicants should consult the department's web site, which will redirect them to the current testing service provider for more detailed information.

**(2) Do I need to take and pass the escrow officer examination before filing my application and paying my application fee to the department?** Yes. You must submit a copy of your test pass certificate with your application to the department. You must have passed the escrow examination no more than one year before your initial application for a license. If your license is not issued within two years of your successful completion of the examination, you will be required to retake the examination.

**(3) Will the department review my application before I take the test to see if I meet the other requirements?** No. Due to volume and resource limitations, the department does not review escrow officer applications unless they are accompanied by a test pass certificate.

NEW SECTION

**WAC 208-680-155 What escrow officer and agent fees will I be required to pay?** Escrow officer and agent fees:

Title of Fee	Fee
Escrow officer:	
First examination (test)	\$168.00
Reexamination (test)	168.00
Original license application	179.26
License renewal	179.26
Transfer of license to a new escrow agent, name or address change, or license activation	28.01
Duplicate license	28.01
Escrow agent:	
Application and original certificate	386.55
Renewal	386.55
Late renewal with penalty	579.81
Change of designated escrow officer, or name or address change, per license generated	28.01
Duplicate certificate	28.01
Escrow agent branch office:	
Application and original license	386.55
Renewal	386.55
Late renewal with penalty	579.81

Title of Fee	Fee
Change of branch designated escrow officer, or name or address change, per license generated	28.01
Duplicate license	28.01

NEW SECTION

**WAC 208-680-165 May the director waive fees under the act?** Yes. The director may waive any or all of the fees and assessments imposed under WAC 208-680-155, in whole or in part, when he or she determines that both of the following factors are present:

- (1) The consumer services program fund exceeds the projected acceptable minimum fund balance level approved by the office of financial management;
- (2) The fees paid by escrow agents equals or exceeds the costs of the licensing, examinations, and enforcement escrow program; and
- (3) That such course of action would be fiscally prudent.

NEW SECTION

**WAC 208-680-170 What happens if my check is dishonored or my payment of an escrow fee is insufficient?** Payment of any fee required under chapter 18.44 RCW by a check that is dishonored or is an insufficient payment will be considered nonpayment. The license action for which the dishonored check or insufficient payment was tendered will not be completed by the department, and a fifteen dollar non-sufficient funds fee may be charged.

NEW SECTION

**WAC 208-680-175 May my designated escrow officer or branch designated escrow officer supervise more than one of my locations?** No, unless the director provides written consent. Designated escrow officers and branch designated escrow officers may not simultaneously supervise more than one location without the prior written consent of the department.

NEW SECTION

**WAC 208-680-176 If my designated escrow officer or designated branch escrow officer leaves, may I continue to operate my escrow business?** Yes. You may continue to operate. However, you must notify the department within one business day of the loss of or change of your designated escrow officer or branch designated escrow officer. You must then replace the designated escrow officer within five days of the loss or change. If you need more than five days to replace the designated escrow officer, you must seek approval from the department. Failure to replace your designated escrow officer, or receive approval from the director for an extension, may result in an enforcement action against you.

NEW SECTION

**WAC 208-680-177 What must I do to replace my designated escrow officer?** You must apply to the department for approval of the new designated escrow officer or branch designated escrow officer. The new designated escrow officer must meet the requirements of WAC 208-680-110 and 208-680-135.

NEW SECTION

**WAC 208-680-180 May a designated escrow officer or a branch designated escrow officer work for two or more escrow agents?** No, unless the director provides written consent. A designated escrow officer or branch designated escrow officer may perform escrow services for only one escrow agent at a time without the prior written consent of the director or his/her designee. A designated escrow officer or branch designated escrow officer may only supervise those escrow agent and escrow agent employees for whom the officer has been designated by the director or his/her designee.

NEW SECTION

**WAC 208-680-185 What constitutes the misuse of my escrow officer license?** Regardless of whether or not you are compensated, it is misuse of your escrow license to:

- (1) Allow another person to use it to establish and carry on an escrow agent business over which you do not have full management and supervisory responsibilities; or
- (2) Fail to adequately supervise any individual conducting escrow or assisting in escrow under the authority of your license.

NEW SECTION

**WAC 208-680-195 Can an escrow agent prohibit its designated escrow officer from accessing its trust account books and records?** Yes, provided the agent notifies the department within twenty-four hours of the prohibition. Notification must include the reason for the prohibition, a current address and telephone number for the prohibited designated escrow officer, a request for a replacement designated escrow officer, and a notice that no escrow business will be conducted until a new designated escrow officer is approved or the director has given prior written consent. Unless this notice is given under this section, an escrow agent may not prohibit the designated escrow officer from accessing the escrow agent's trust account books and records.

**ORGANIZATION AND ADMINISTRATION**NEW SECTION

**WAC 208-680-210 How must I identify my location or locations?** Any main or branch office of an escrow agent must be identified by displaying the escrow agent's name in a manner visible to the public. The displayed name must be the name recorded on the license for that particular location. Any fixed physical location where an escrow agent holds

itself out to the public as able to perform escrow services as defined under RCW 18.44.011(4) is considered an office for the purposes of this section.

NEW SECTION

**WAC 208-680-225 Do I need to display my licenses?**  
 (1) The licenses of a designated escrow officer, branch designated escrow officer, and all other escrow officers must be prominently displayed in the office at the address on each individual license.

(2) An escrow agent license must be displayed in the main office of that escrow agent, and any branch licenses must be displayed in the appropriate branch office.

NEW SECTION

**WAC 208-680-235 If I move the location of one or more of my offices, what notification requirements must I meet?** You must notify the department of any change of the location or mailing address of your main or branch offices before engaging in business at your new locations or addresses. You must file your change of address application with the department at least ten business days before the change in business location or address. The application must be accompanied by all applicable fees specified under WAC 208-680-155.

NEW SECTION

**WAC 208-680-240 Escrow agent renewal and reinstatement. (1) How long is an escrow agent license valid?** All escrow agent licenses expire on December 31st of every year.

(2) **Can I renew my escrow agent license?** Yes. Escrow agent licenses may be renewed by filling out the appropriate form and paying the applicable fee to the department. Renewal forms are available on-line at the department's web site.

(3) **I did not renew my escrow agent license on time, did not pay my escrow agent renewal fee by my renewal date, or my renewal fee payment was rejected. Can my escrow officers still provide escrow services?** No. Your escrow agent license is now expired, and any associated escrow officer licenses are considered inactive until they associate with a licensed escrow agent. Any escrow services they perform are considered unlicensed activities and are in violation of the act. If you continue to perform escrow services after expiration of your license, the department may investigate and bring an enforcement proceeding against you.

For additional information about failed payments, see WAC 208-680-170.

(4) **I did not renew my escrow agent license on time. Can I still renew my license, or do I need to file a new application?** Once your license has expired, you have thirty days to file for renewal and to pay the renewal fee, and the department may assess a penalty. If you don't renew, your license will be canceled on the thirty-first day. A canceled license cannot be renewed or reinstated. If your escrow agent license is canceled and you wish to provide escrow services, you will have to apply for a new escrow agent license. Any

escrow services your escrow officers perform after your license is canceled are unlicensed activities and are in violation of the act.

Even if you renew your license before it is canceled, you (and your escrow officers) are still liable for any unlicensed activities conducted while your license was expired.

#### NEW SECTION

**WAC 208-680-243 Escrow officer renewal and reinstatement.** (1) **How long is an escrow officer license valid?** Escrow officer licenses are valid for one year from the date of issuance.

(2) **Can I renew my escrow officer license?** Yes. Escrow officer licenses may be renewed by completing the on-line renewal application and paying the annual renewal license fee specified under WAC 208-680-155 by your renewal date. Your renewal date is the date one year after the day your license was issued.

(3) **I did not complete the on-line escrow officer renewal process, did not pay my renewal fee by my renewal date, or my renewal fee payment was rejected. Can I still provide escrow services?** No. Your license is now expired, and any escrow services you perform are considered unlicensed activities and are in violation of the act. If you continue to perform escrow services after expiration of your license, the department may investigate and bring an enforcement proceeding against you.

For additional information about failed payments, see WAC 208-680-170.

(4) **I did not complete the on-line escrow officer form and pay my renewal fee by my renewal date. Can I still renew my license, or do I need to reapply?** Once your license has expired, you have sixty days to file for renewal and to pay the renewal fee, and the department may assess a penalty. If you don't renew, your license will be canceled on the sixty-first day. A canceled license cannot be renewed or reinstated. If your license is canceled and you wish to provide escrow services, you will have to apply for a new license. You should note that if your new license is not issued within two years of your passing the escrow examination, you will have to take the escrow examination again. See WAC 208-680-135.

Even if you renew your license before it is canceled, you are still liable for any unlicensed activities you conducted while your license was expired.

For the renewal fee structure, see WAC 208-680-155.

#### NEW SECTION

**WAC 208-680-245 Closure of office.** (1) **If I close one of my offices, what effect does that have on any other offices?** When the main office of an escrow agent closes, all branch offices must close. When a branch office closes and the main office remains licensed, the responsibility for records maintenance and trust accounting for the branch's transactions reverts to the main office.

(2) **If I close an office, what are my notification requirements?** When either the main office or a branch office of an escrow agent closes, all responsible persons are

jointly and severally obliged to notify the department within twenty-four hours of closure.

In addition to notifying the department, a responsible person must:

(a) Within thirty days of office closure, provide the department with an itemized accounting of funds held in trust at the time of closure, including the names of the principal parties to the transaction, the escrow number, the amount of funds held and the purpose of the funds. If the trust account balance is zero, the escrow agent must provide a reconciliation of the trial balance supporting the zero balance;

(b) Within thirty days of office closure, provide the department with the name, residence address and telephone number of the person responsible for the records;

(c) Within thirty days of office closure, the street address where the records are located;

(d) Within thirty days of any change in the person responsible for the records or the place the records are maintained, notify the department of the change;

(e) Within thirty days of closure, provide the department with an itemized list of your retained records, specifying their location and quantity, including the number of files and the number of boxes they are stored in; and

(f) Within thirty days of closure, provide the department with a records retention plan that identifies the ways that you will store, retrieve, and destroy your required records in compliance with the act and this section. Your plan must identify how you will continue to pay any costs associated with your storage location.

(3) **How long do I need to maintain my records after closure?**

(a) Your records must be maintained for at least six years, and must be maintained in the state of Washington. They must be available upon demand of the department during business hours and must be maintained in a readily retrievable manner. Closing one or more of your offices does not discharge your obligation to retain your records.

(b) If there is a change in the person responsible for your records, or if the location of your records change, you must notify the department within thirty days.

(c) Your records must be stored, retrievable, and destroyed in accordance with the records retention plan you have submitted to the department.

(4) **What are my obligations regarding my trust account after I close a branch office?** If the closed branch office has an associated trust account that contains client funds at the time of closure, the designated escrow officer or branch designated escrow officer responsible for that location must provide the department with monthly reports and reconciliations of the trust account to the trial balance, in compliance with WAC 208-680-410(9), until the trust account balance is zero. These reconciliations are due within thirty days of the end of the preceding month.

(5) **What are my obligations regarding my trust account after I close my main office?** If your trust account contains client funds at the time of closure, the designated escrow officer must provide the department with monthly reports and reconciliations of the trust bank account to the trial balance, in compliance with WAC 208-680-410(9), until

the trust bank account balance is zero. These reconciliations are due within thirty days of the end of the preceding month.

**(6) If I close my main office, what obligation do I have regarding winding up my business?** You must wind up your business in a reasonably prompt manner. Until your account balances are zero, you must also maintain your fidelity and surety bonds under WAC 208-680-310 and your errors and omissions policy under WAC 208-680-320.

#### NEW SECTION

**WAC 208-680-255 Deceptive names prohibited. What restrictions affect the name I may use for my business?** At the discretion of the director, an escrow agent may not receive a license or advertise in any manner using names or trade styles which: Are similar to current licensees; imply that the agent is a nonprofit organization, research organization, title insurance company, public bureau or public group; or are otherwise deceptive or in violation of RCW 30.04.020, 31.12.025, 32.04.020(2), 33.08.010, or any other statute that limits the use of names. A bona fide franchisee may be issued a license using the name of the franchisor with the firm name of the franchisee. Licensees and applicants should be aware that other statutes may further restrict the trade names that they may use.

#### NEW SECTION

**WAC 208-680-265 Reporting significant events. What significant events am I required to report to the department, and how quickly must I report them?** Depending on the significant event, you will have different reporting periods.

**(1) Ten-day prenotification required.** You must report to the director, in writing, changes to the following information at least ten days before they occur:

(a) Your location or mailing address. See RCW 18.44.-061 and WAC 208-680-235;

(b) The form of your business organization or its place of organization. For example, if your business is changing from a sole proprietorship to a corporation, or from a corporation to a limited liability corporation, you must notify the department and may be required to file a new escrow agent application;

(c) The name and mailing address of your registered agent if you are an out-of-state escrow agent; or

(d) Your legal or trade name.

**(2) Twenty-four hour post-notification required.** You must notify the director in writing within twenty-four hours of any change to the trust status of your trust account. For example, if you use an interest-bearing trust account because you are required to under a limited practice officer or attorney license, and the status of your interest-bearing account changes for any reason, you must notify the department in writing within twenty-four hours. This notification does not affect your responsibility to comply at all times with the trust account requirements of the act and WAC 208-680-410.

**(3) Five-day post-notification required.** You must notify the director in writing within five business days of any changes to the escrow agent's bonds or errors and omissions policy. See RCW 18.44.201.

**(4) Ten-day post-notification required.** You are required to notify the director in writing within ten days of the occurrence of any of the following:

(a) The cancellation or expiration of your Washington state master business license;

(b) For an in-state escrow agent, a change in your standing with the Washington secretary of state, including the resignation or change of your registered agent. If you are an out-of-state escrow agent, you are subject to subsection (1) of this section, which requires ten-day prenotification;

(c) The escrow agent filing for bankruptcy;

(d) The personal bankruptcy filing of one or more of your principal officers, controlling persons, licensed escrow officers, designated escrow officers, or branch designated escrow officers.

**(5) Other notification requirements.** In addition to the notice requirements under this section, you are required to follow any other notification requirements in the act or in these rules. These include, but are not limited to:

(a) For an escrow office closure, see WAC 208-680-245.

(b) For a transfer involving all or substantially all of its assets, the escrow agent must comply with WAC 208-680-125.

(c) For a change in principal officer or controlling person of a licensed escrow agent, the escrow agent must comply with WAC 208-680-125 and 208-680-130 and may be required to file a new application for an escrow agent license.

(d) For changes in designated escrow officer or branch designated escrow officer, see WAC 208-680-510.

(e) For termination of a licensed escrow officer, the escrow agent must notify the department within three business days that the escrow officer no longer represents the escrow agent. If the escrow officer was terminated for dishonesty or financial misconduct involving the business, the escrow agent must provide the department with that information. Within ten business days of the termination, the escrow agent must deliver the escrow officer's license to the department. See RCW 18.44.101.

(f) For the filing of quarterly reports, see WAC 208-680-425.

(g) For suit or complaint notification, see WAC 208-680-570.

(h) Within five business days of the escrow agent's license being revoked, surrendered, suspended, or the license expiring, the escrow agent shall notify the principals of pre-existing escrows of the action. The contents of the notification must comply with RCW 18.44.465.

#### NEW SECTION

**WAC 208-680-275 Employment restrictions. (1) What criminal background restrictions are there on the persons I may employ?** You may not employ any person to handle escrow transactions who has been convicted of or plead no contest to either:

(a) A felony; or

(b) A gross misdemeanor involving dishonesty.

**(2) What financial responsibility restrictions are there on the persons I may employ to handle client funds?** In addition to the criminal background restrictions that apply

to all employees handling escrow transactions, an employee that receives money, disburses funds, or acts as a signatory on trust accounts may not have demonstrated disregard in the management of his or her financial condition in the last three years. Disregard for his or her financial condition may be shown by, but is not limited to:

(a) Being subject to an administrative action issued pursuant to the Consumer Loan Act, the Consumer Protection Act, the Mortgage Broker Practices Act, the Insurance Code, the Securities Act, the Check Cashers and Sellers Act, or other similar laws in this or another state;

(b) An independent credit report issued by a recognized credit reporting agency that indicates the person has a history of unpaid debts; or

(c) Any other demonstration of his or her inability to appropriately manage his or her personal finances in a way that may endanger the funds of either the escrow agent or the escrow agent's client.

(3) **Do I need to examine my current employee's backgrounds to ensure that I am in compliance with this requirement?** Yes. The restrictions are on all employees, not just new hires.

(4) **How will the department enforce these provisions?**

(a) Each escrow agent must develop written policies and procedures to document its efforts to comply with section 4, chapter 34, Laws of 2010 and this section. You must make your policies and procedures available to the department upon request, and they must be maintained as part of your books and records;

(b) Your actual practices must be consistent with your written policies and procedures and your employees must be trained in those policies and procedures;

(c) Each year, each escrow agent's designated escrow officer must submit to the department a statement along with the agent's renewal paperwork attesting to its compliance with its internal policies and procedures. Failure to truthfully submit this statement is a violation of the act. A branch designated escrow officer may sign and submit the statement of compliance for a branch office; and

(d) The department reserves the right to perform its own background checks on escrow agent employees to determine compliance during examinations, investigations, and enforcement proceedings.

## FINANCIAL RESPONSIBILITY

### NEW SECTION

**WAC 208-680-310 Fidelity and surety bonds. (1) What is a fidelity bond under the act?** For purposes of the act, a fidelity bond is a primary commercial blanket bond or an equivalent bond that is acceptable to the department, regardless of the name used to identify the specific insurance product. A bond is an acceptable equivalent if it meets the requirements of the act. At a minimum, it must:

(a) Provide an aggregate minimum coverage of two hundred thousand dollars;

(b) Have a deductible of no more than ten thousand dollars;

(c) Cover fraudulent or dishonest acts committed by one or more corporate officers, partners, sole practitioners, escrow officers, and employees, acting alone or in concert; and

(d) Run to the benefit of the escrow agent, unless the fraudulent or dishonest act is committed by one or more corporate officers, partners, or sole practitioners, in which case it runs to the benefit of the harmed consumer.

(2) **I am unable to find a fidelity bond that permits third parties to claim on the bond. Can I use a bond that does not allow a third party to claim on the bond?** If you make a good faith effort to find a bond that complies with the statutory and regulatory requirements, and are unable to do so, the department may accept a bond that meets the other fidelity requirements but does not permit third-party claims. The department may relax this requirement only until a determination can be made about the general availability of conforming bonds.

Licenses that use a nonconforming bond as authorized under this subsection should be aware that the department may consider a refusal to file a claim on a fidelity bond for fraudulent or dishonest acts committed by a corporate officer, partner, or sole practitioner, to be conducting business in an unsafe or unsound manner under section 11, chapter 34, Laws of 2010 and WAC 208-680-645.

(3) **Am I required to maintain any other kind of bond?** If your fidelity bond has a deductible, you must maintain a surety bond in the amount of ten thousand dollars. The surety bond must run to the benefit of the state and any person harmed by an escrow agent or its employees. The surety bond must be an original signed and sealed document with power of attorney attached, not a certificate of insurance.

(4) **How long must I maintain my bonds?** All bonds must be kept in effect while you are conducting escrow business. Additionally, after closure of your office you must maintain your fidelity and surety bonds until your escrow trust accounts have been reconciled and all balances are zero.

(5) **How do I demonstrate compliance with this requirement?** Along with your application or renewal, you must provide the department with a certificate of insurance. You must also provide coverage information to the department upon demand. The certificate of insurance does not need to be entitled a certificate of insurance, but must include at a minimum:

(a) Your escrow agent's name;

(b) The insurer's name;

(c) The aggregate amount of coverage;

(d) The amount of any deductible; and

(e) A statement of compliance with RCW 18.44.201.

To ensure compliance with the bonding requirement, you must provide a copy of the full bond language to the department during your first year of compliance, and then upon demand in subsequent years.

### NEW SECTION

**WAC 208-680-320 Errors and omissions policies. (1) What errors and omissions policy must I carry?** You must carry an errors and omissions policy in the minimum aggregate amount of fifty thousand dollars or provide the depart-

ment with a cash or securities alternative as described in subsection (2) of this section. Either a bond or the cash or securities deposit must be maintained until you have closed your office, all of your accounts have been reconciled, and all balances are zero.

**(2) If I want to use a securities alternative to the errors and omissions bond requirement in RCW 18.44-201 (1)(b), what are the requirements?**

(a) Securities used as an alternative to an errors and omissions policy must be effectively delivered to the director along with a properly executed irrevocable assignment and any supporting documentation as required by the director.

(b) Only those securities that meet the definition of "investment securities" under chapter 208-512 WAC may be used to satisfy RCW 18.44.201. Securities issued by the licensed escrow agent or its affiliates are not acceptable securities for the purposes of fulfilling the requirements of RCW 18.44.201.

#### NEW SECTION

**WAC 208-680-330 When will the cash deposit or securities I used in lieu of an errors and omissions policy be returned to me?** (1) If your cash deposit or securities were deposited with the department to allow you to conduct escrow business, and you are closing, they will be returned to you the later of:

(a) One year from the date of the expiration, cancellation, surrender, or revocation of your license, unless there are any pending actions commenced under WAC 208-680-340 prior to the expiration, cancellation, surrender, or revocation of the escrow agent's license; or

(b) The day your trust accounts are fully reconciled and show a zero balance.

(2) If your cash deposit or securities were provided to the department to allow you to conduct escrow business and you have obtained an errors and omissions policy, your deposit or securities will be returned within thirty days of your providing the department with proof that you have obtained an errors and omissions policy.

(3) If your cash deposit or securities were provided to the department as part of a licensing application, they will be returned to you within thirty days of the department's denial of your application for an escrow agent license.

#### NEW SECTION

**WAC 208-680-340 How are claims filed on my cash deposit or securities in lieu of an errors and omissions policy?** (1) Upon receipt of notification of a legal action for which notice is required to be given to the department under WAC 208-680-570, the department will notify the complaining party of the existence of any cash deposit or securities and the provisions of this chapter.

(2) A claim against the cash deposit or securities must be in the form of certified copy of a final judgment from a court of competent jurisdiction. Upon receipt of a claim in the proper form, the department will release the amount of cash deposit or securities sufficient to pay the final judgment.

(3) The department will notify the escrow agent of the receipt of the claim and advise the escrow agent that it must

deposit additional cash or securities with the department to maintain the required principal amount of fifty thousand dollars after payment of the claim.

#### NEW SECTION

**WAC 208-680-350 How long do I have to maintain my cash deposit and securities, and what are the consequences of failure to do so?** If you assign, transfer, or set over a cash or securities deposit in lieu of an errors and omissions policy, you must keep the deposit in full force and effect at all times as a condition precedent to your authority to transact escrow business. Your deposit or securities must be at least the principal amount of fifty thousand dollars. After closure, you must maintain your cash deposit until your trust account has a zero balance.

Failure to maintain the deposit or securities at the minimum level is sufficient grounds for the suspension or revocation of your license.

#### NEW SECTION

**WAC 208-680-360 What happens if my errors and omissions policy or my fidelity or surety bonds expire or are canceled?** In the event of cancellation or expiration of your errors and omissions policy or your fidelity or surety bonds, you must file satisfactory evidence of a new policy, bond, or reinstatement with the director before conducting any escrow business. Failure to file a new policy, bond, or reinstatement is sufficient grounds for the suspension or revocation of your license. During the time you do not have full insurance and bonding coverage in effect, you may not transact escrow business.

### TRUST ACCOUNT PROCEDURES

#### NEW SECTION

**WAC 208-680-410 Administration of funds held in trust. (1) Who is responsible for funds received from the principal parties to an escrow?** The designated escrow officer or branch designated escrow officer is responsible for all funds received from the principal parties to an escrow transaction or escrow collection account. He or she must hold the funds in trust for the purposes of the transaction or agreement and must not utilize such funds for the benefit of the agent or any person not entitled to such benefit. The escrow agent must establish a trust account or accounts in a recognized Washington state depository. The escrow agent, through the designated escrow officer, is responsible for depositing, holding, disbursing, and accounting for funds in the trust account as provided in the act and the rules. For branch offices, the branch designated escrow officer is also responsible for depositing, holding, disbursing, and accounting for funds in the branch's trust account. The escrow agent is ultimately responsible for all the actions of the designated escrow officer or branch designated escrow officer.

**(2) What kind of an account can I use as a trust account for my escrow services?** Your trust account or accounts must be designated as a trust account or accounts in the certified name of the escrow agent. Your trust accounts

must be noninterest bearing demand deposit accounts unless they are one of the following:

(a) An interest-bearing trust account or dividend earning investment account containing funds pertaining to an individual escrow transaction or escrow collection account, if directed to use one by a written agreement between and signed by all principal parties to the transaction. The agreement must specify the manner of distribution of accumulated interest to the parties to the transaction;

(b) An interest-bearing trust account or dividend-earning investment account containing only funds held on behalf of an owner, vendor, lessor, etc., involving escrow collections, if directed to use one by a written agreement or directive signed by the principal parties. The agreement must specify the manner of distribution of accumulated interest to the parties to the transaction;

(c) An interest-bearing trust account containing funds related to transactions in which a limited practice officer has prepared documents under authorization set forth in APR 12(h); or

(d) An interest-bearing trust account containing funds related to transactions in which a licensed attorney has prepared documents.

**(3) What information do I need to provide to the department regarding my trust account?** Each time you renew your escrow agent license, you must provide the department with an authorization to examine your trust account. This authorization must be on a form specified by the department, signed by a representative of the bank, and notarized.

**(4) Can I set up a system of records and procedures that varies from this section?** You must establish and maintain a system of records and procedures as provided in this section unless you receive approval from the department. Any alternative records or procedures proposed for use by the escrow agent must be approved in advance by the department.

**(5) Who is responsible for disbursements of funds and funds held in trust?** The escrow agent is ultimately responsible for the disbursement of all funds received and held in trust, regardless of how they are disbursed.

**(6) Who may have signatory authority over trust account disbursements?** The designated escrow officer must have signatory authority on all trust accounts, and he or she may authorize any employee that he or she supervises to sign disbursements. Branch designated escrow officers must have signature authority for trust accounts at their branch, and may have signature authority for other branches if the designated escrow officer authorizes it on either a temporary or permanent basis. The signatory authority of any employee other than a designated or branch designated escrow officer is discretionary, may be conditional or temporary, and may be revoked by the designated escrow officer at any time.

**(7) When must my client's funds be deposited into a trust account?** You must deposit any funds you receive for an escrow transaction or collection account into the escrow agent's trust account on the first banking day following receipt.

This requirement does not apply to funds owned exclusively by the agent.

**(8) What do I need to do when I receive escrow funds?**

(a) When you receive funds, you must record the date, amount, source, and purpose on either a cash receipts journal or duplicate receipt. If you use a duplicate receipt, you must keep it as a permanent record.

(b) When you deposit funds into your trust account or accounts, the deposit must be documented by a duplicate bank deposit slip that is validated by bank imprint or an attached deposit receipt that bears the signature of the authorized representative of the agent indicating that the funds were actually deposited into the proper trust account. If you receive funds via wire transfer, you must post them in the same manner as other receipts and there must be a traceable identifying name or number supplied by the financial institution or transferring entity. You must make arrangements for a follow-up "hard copy" receipt for the deposit.

(c) The traceable identifying name or number supplied by the financial institution in (b) of this subsection does not need to be a name or number you use to identify the transaction, but must be enough to allow the department to track and verify the transfer.

**(9) What are my responsibilities regarding my individual client ledgers?** You must maintain an individual client ledger for each escrow transaction or collection account for which funds are received in trust. All receipts and disbursements must be posted in the individual client ledger. Your client ledgers are subject to the following requirements:

(a) Credit entries must show the date of deposit or wire transfer, amount, and name of remitter.

(b) Debit entries must show the date of check or wire transfer, check number (if funds are disbursed via check), amount of check or wire transfer, and name of payee.

(c) You must prepare monthly trial balances of each client ledger. You must reconcile the ledger with both the trust account bank statement and the trust account receipts and disbursement records. The reconciliation must be signed by the designated escrow officer or branch designated escrow officer, and must be maintained as permanent records.

**(10) What are my obligations regarding a reconciled trust account?** Your reconciled trust account or accounts must be equal at all times to your outstanding trust liability to clients. Your outstanding trust liability to clients must equal the trial balance of all of your escrows with undisbursed balances.

**(11) What requirements must I meet for disbursements of trust funds?**

(a) Disbursed funds must be good funds.

(b) Unless otherwise authorized in the escrow instructions, you must make trust fund disbursements by check. Checks must be drawn on your trust account or accounts, and must identify which specific escrow transaction or collection account the disbursement relates to. The number of each check and its amount, date, payee, and the specific client's ledger sheet debited must be shown in the cash register or cash disbursement journal. All data must agree exactly with the check as written.

(c) You may make disbursements via wire transfer if both of the following are true:

(i) You have made arrangements with the financial institution that holds your trust account or accounts to provide you with a follow-up "hard copy" debit memo when funds are disbursed via wire transfer; and

(ii) You retain in the transaction file a copy of instructions signed by the owner of the funds to be wire transferred identifying the receiving entity and account number.

(d) You may make appropriate transfers between escrow accounts by ledger entries alone if you use either:

(i) A transfer form containing the date of the transfer, the amount being transferred, the identity of the accounts being debited and credited, and the signature of a person authorized to approve disbursements; or

(ii) An intrabank debit memo transfer form, and all escrow accounts involved in the transaction are closed through the same bank account.

(e) If you are making recurring transfers between collection escrows, they must be authorized by standing escrow instructions on file from all appropriate parties.

**(12) I have a voided check written on the trust account. What do I need to do with it?** You must permanently deface the check and retain it.

**(13) What are my obligations regarding fees payable to me for my escrow services?** You must be paid via a separate check or bank transfer, drawn on the trust account and bearing the escrow or transaction number, for escrow and service fees. This payment must be provided for in the escrow instructions. All of your fees relating to a transaction may be combined in a single check, or transfer, but either the closing or settlement statement or an addendum signed by the principal parties must itemize the included charges.

**(14) What are my obligations regarding fees payable to me for my collection account services?** Your collection account fees may be paid with a single check for each collection period as long as such a check is supported by a schedule of fees and identified to each individual account. Your fees must be paid monthly unless the collection contract agreement provides a longer collection period.

**(15) May I have funds in my trust account that are not related to an escrow transaction or collection account?** No. Only funds related to an escrow transaction or an escrow collection account may be placed in your trust account. None of your funds may be in the trust account for any reason.

**(16) What kinds of disbursements am I not allowed to make from my trust account?** You may only make disbursements from your trust account for authorized purposes. Specifically, you may not make disbursements:

(a) For items not related to a specific escrow transaction or escrow collection account, including aggregate disbursements to the department of revenue of unclaimed funds from multiple transactions. Such disbursements must be made for each specific account with unclaimed funds;

(b) To any person or for any reason before the closing of an escrow transaction, or before the happening of a condition set forth in the escrow instructions. You may make a disbursement before the closing of a transaction or before a triggering condition if you receive a written release from all principal parties of the escrow transaction or collection account. Unless the disbursement is disputed under WAC 208-680-

560, you are permitted to disburse earnest money funds without a written release if the earnest money agreement terminates according to its own terms prior to closing and provides for such disbursement.

(c) Relating to a specific escrow transaction or collection account in excess of the actual amount held in your trust account in connection with such transaction or collection account;

(d) To pay any fee owed to your employees or for your own business expenses. Such fees or expenses must be paid from your own regular business bank account and not from your trust account or accounts;

(e) For bank charges of any nature. You must make arrangements with your bank to have any bank charges applicable to the trust accounts charged to your regular business bank account, or to provide a separate statement of bank charges so they may be paid from your regular business bank account. However, you may pay bank charges from the interest you receive on trust accounts allowed under subsection (2)(c) or (d) of this section;

(f) For preauthorization of payments by the financial institution for recurring expenses such as mortgage payments on behalf of the owner if the account contains tenant security deposits or funds belonging to more than one client;

(g) Of funds received as a damage or security deposit involving a lease or rental contract, to the property owner or any other person or persons, without the written authority of the lessee. You must hold these funds until the end of the tenancy, at which point you must disburse them to the person or persons entitled to the funds under the terms of the rental or lease agreement, and as consistent with the provisions of RCW 59.18.270, Residential Landlord-Tenant Act, or other appropriate statute.

(h) If the financial institution's automated system does not have the ability to charge fees to another account, or does not provide a separate statement for the service fees as required by (e) of this subsection, and the account is debited for service fees, you must deposit funds from your general business or other nontrust account to cover the service fee charged within one banking day after receipt of notice.

**(17) If I choose to use a computer accounting system, what additional requirements do I need to meet?** The provisions of this section apply to both manual and computerized accounting systems. However, there are some additional requirements if you choose to use a computer accounting system.

(a) Your computer accounting system must provide a capability to back-up all data files;

(b) You must print receipt and check registers at least once monthly. You must retain printed records as permanent records. Reconciliations and trial balances must be conducted at least once monthly, and then printed and retained as a permanent record;

(c) You must maintain a printed, dated source document file to support any changes to existing accounting records;

(d) If your computer accounting system has the ability to write checks by filling in fields on existing checks, the check number must be preprinted on the check or a voucher copy retained by the supplier. Your computer accounting system

may assign suffixes or subaccount codes before or after the check number for identification purposes;

(e) If your computer accounting system has the ability to print entire checks on blank check stock using MICR toner or a similar system, it must track all checks that are printed. Those checks must be verifiable against your check register to ensure no duplication or skipping of check numbers;

(f) The check number must appear in the magnetic coding which also identifies the account number for readability by the financial institution's computer; and

(g) All checks you write must be included within the computer accounting system.

(18) **I have unclaimed funds in my trust account. What do I need to do with them?** Unclaimed funds are governed by and defined in the Uniform Unclaimed Property Act of 1983, chapter 63.29 RCW. If you have unclaimed funds in your trust account, your designated escrow officer or branch designated escrow officer must contact the department of revenue for disposition instructions. You must maintain a record of the correspondence relating to unclaimed funds for at least five years.

You must dispose of unclaimed funds in accordance with this section on a rolling basis to ensure that you do not have unclaimed funds in your trust account. You must examine your books at least once a quarter to determine if you have unclaimed funds. If you have unclaimed funds in your trust account, they must be purged at least quarterly in order to comply with the completed quarterly reconciliation as required in WAC 208-680-425.

#### NEW SECTION

**WAC 208-680-425 What are the requirements for my quarterly reports?** (1) In order to determine compliance with chapter 18.44 RCW and chapter 208-680 WAC, each escrow agent must file with the director, within thirty days following the end of each fiscal quarter, the following in a form prescribed by the director:

(a) A report concerning its operations, including the number of escrow transactions conducted and the total dollar volume of those transactions;

(b) A report concerning the trust account administration; and

(c) A one page summary of the completed three way reconciliation from the last month of the quarter.

(2) A three way reconciliation is completed if it demonstrates:

(a) You have no unclaimed funds in your trust account;

(b) You have no overdue instruments; and

(c) You have no outstanding balances more than nine months old, unless:

(i) The outstanding balance is authorized by valid instructions from the principal parties stating a finite period the funds should be held; or

(ii) You have conducted a quarterly examination of your records to ensure compliance with the Uniform Unclaimed Property Act of 1983, chapter 63.29 RCW.

(3) For trust account matters, your designated escrow officer must certify that he or she has reviewed the trust account report and any exhibits filed with it and that the

information contained in the report and any exhibits is true and correct. This certification must be under penalty of perjury in a manner consistent with RCW 9A.72.085. The chief executive officer or chief financial officer of the escrow agent, or other knowledgeable person acceptable to the director, may certify the information on the report not related to trust account matters.

(4) Failure to file these reports within the time period specified in this rule is a violation of RCW 18.44.430 and may result in legal action by the department. False certifications of compliance may result in revocation of your license and referral to a prosecuting attorney.

## RECORDS AND RESPONSIBILITIES

### NEW SECTION

**WAC 208-680-510 What are the designated escrow officer's responsibilities?** (1) The designated escrow officer is responsible for the custody, safety, and correctness of entries of all required escrow records. He or she retains this responsibility even if he or she has assigned the duties of preparation, custody, recording or disbursing to another person or persons. The designated escrow officer also bears responsibility for all actions of designated branch escrow officers.

(2) The branch designated escrow officer bears responsibility for the custody, safety and correctness of entries of all required escrow records at his or her assigned branch office. The designated escrow officer bears responsibility for all actions of the branch designated escrow officer.

(3) Before issuing a new license reflecting a change of the designated escrow officer or branch designated escrow officer of a licensed escrow agent, the department must receive evidence that the responsibility for preexisting escrows is being transferred to the incoming designated escrow officer or incoming branch designated escrow officer. Such evidence must be demonstrated by a statement signed by both the outgoing designated escrow officer and the incoming designated escrow officer that lists all outstanding trust liabilities and certifies that funds in the trust account maintained by the agent are adequate to meet all trust liabilities. This statement must be received by the department before the changeover can occur. In the case of a change in branch designated escrow officer, the outgoing and incoming branch designated escrow officers must sign the statement.

(4) If the department is concerned that the licensee's trust accounting records may not comply with the requirements of WAC 208-680-410, and before accepting a new designated escrow officer or branch designated escrow officer, the department may retain or instruct the licensee to retain a certified public accountant, or other person acceptable to the department, to reconcile the trust account or accounts and report whether they have been maintained in compliance with WAC 208-680-410 and to report on the adequacy of the licensee's internal routines and controls to ensure continuing compliance with WAC 208-680-410.

NEW SECTION

**WAC 208-680-520 What records am I required to keep?** (1) You are required to keep the following trust account records:

(a) Copies of all duplicate deposit slips, validated by the bank or bearing the signature of the designated escrow officer or branch designated escrow officer, and including the date of actual deposit; wires; separate receipts; or other evidence of the deposit of funds into the trust account;

(b) Copies of all checks, wires, or other evidence of any disbursement from the trust account;

(c) Copies of all bank statements for the trust account, including all paid checks or copies of paid checks, electronic or otherwise, provided that such copies are made in such a manner that the endorsement on the paid check is visible and readable;

(d) A client's ledger containing an individual ledger sheet for each escrow transaction or collection account, unless you use a computer accounting system. If you use a computer accounting system, an individual ledger sheet does not need to be maintained in the transaction files until the closing of the escrow transaction or collection account as long as the computer accounting system records provide the status of the escrow transaction or collection account funds on a daily basis;

(e) Copies of all written receipts and prenumbered checks, if you use a manual trust accounting system to administer the trust account.

(2) In addition to trust account records, you are required to keep additional records, including:

(a) Transaction files containing all agreements, contracts, documents, leases, escrow instructions, closing statements and correspondence for each transaction;

(b) Reconciled bank statements and canceled checks for all bank accounts of the escrow agent, including but not limited to the pooled escrow trust accounts, individual escrow trust accounts, and general business operating accounts of the agent;

(c) All checks and receipts produced by any computer accounting system. These checks and receipts must be sequentially numbered. You must retain the original of any voided or incomplete sequentially numbered check or receipt which was not issued.

(3) All records other than the reconciled bank statements must identify the transaction they relate to, either by escrow number or some other clear identifying information.

NEW SECTION

**WAC 208-680-530 Records.** (1) **What requirements are there for my records?** All of your records must be accurate, posted, and kept current to the date of the most recent activity.

(2) **How long do I need to retain my records?** You must keep required records and make them available for inspection by the department for a minimum of six years from completion of a transaction. Records must be retained in their original format until the related transaction is completed and the client's trust account balance is zero.

(3) **Where do I need to retain my records?** You must at all times maintain your records in a location that is reasonably likely to preserve them. For the first year after completion, records of a transaction must be maintained at an address where you are licensed to maintain an escrow office. Records of transactions that have been completed for more than one year may be stored at another location within the state of Washington. Records stored at a remote location must be available during business hours upon demand of the department and must be maintained in a manner that is readily retrievable.

(4) **When can I convert my records to an electronic format?** Once a transaction is completed and a client's trust account balance is zero, you may convert that client's file into a permanent storage format and destroy the originals.

(5) **How can I store my records electronically?** Records stored electronically must be electronically imaged and stored on permanent storage media like optical disks or microfilm. The storage media must meet the following requirements:

(a) The retrieval process must provide the ability to view and print the records on-site in their original form, including any signatures or other writings placed on the records prior to imaging;

(b) The equipment must be made available on- and off-site to the department for the purposes of an examination or investigation;

(c) The records must be stored exclusively in a nonrewritable and nonerasable format;

(d) The hardware and software necessary to display and print the records must be maintained by the escrow agent during the required retention period under subsection (2) of this section.

Permanent storage does not affect your duties under subsection (3) of this section to maintain files in your licensed location for the first year.

(6) **Are there records that I cannot store in an unlicensed location or in an electronic format?** Transactions and accounting records may not be stored at a remote location or on permanent storage media as described under this section if there are funds relating to the transaction, including reconveyances or holdbacks, remaining in the trust account.

NEW SECTION

**WAC 208-680-540 What are my obligations regarding escrow transactions?** The escrow agent is responsible for conducting escrow agreements between the principal parties. The agent must at a minimum:

(1) **Escrow instructions.** Prepare or accept an instrument of escrow instructions from and agreed to by the principal parties and the escrow agent. The escrow instructions must be signed by the principal parties. Escrow instructions must contain any and all agreements between the principal parties and the escrow agent or incorporate other written agreements by reference. The escrow instructions must not be modified except by written agreement signed by all principal parties and accepted by the escrow agent.

(2) **Fee disclosures.** Disclose in writing to the principal parties when fees for services provided may be earned by the

escrow agent. The disclosure must specifically identify the fees using the same terminology as that provided on the closing statement (for example the HUD-1 or HUD-1A), and reflect the dollar amount associated with each item identified as a fee payable to the escrow agent. For purposes of this section, fees payable to the escrow agent mean any item payable directly to the escrow agent whether accounted for by the escrow agent as profit, potential for profit, or the offset of justifiable costs.

(3) **Justifiable fees.** Ensure that all fees are for bona fide services and bear a reasonable relationship in value to the services performed, regardless of whether the services are performed by the escrow agent or by a third party under contract with the escrow agent. No charges known at the time of closing for services performed by a third party to the transaction may exceed the actual cost of the third-party service. When the cost of a third-party service cannot be known with certainty at the time of closing, an escrow agent may:

(a) Provide an estimate of the charge for the third-party service on the preliminary closing statement, disclose the actual charge for the third-party service on the final disclosure statement, and refund any amounts collected in excess of the actual charge for the third-party service to the principal parties;

(b) Assume responsibility for performing the service and charge the principal parties a one-time fee for performing the service. The one-time fee must be reasonably related to the value of the service provided. The escrow agent may contract with a third party to perform the service. The escrow agent must disclose to the principal parties in the preliminary and final settlement statement that the fee is being paid to the escrow agent. The escrow agent may transfer such fees earned into the general account in compliance with WAC 208-680-410; or

(c) If conducting a subescrow transaction, charge the principal parties the average charges as determined by the master escrow agent or title insurance company.

(4) **Escrow instructions.** Comply with the escrow instructions for completing the closing statement. All funds disbursed on the closing statement should be bona fide and supported with adequate documents.

(5) **Recordkeeping.** Maintain copies of the escrow instructions and closing statement (for example, HUD-1 or HUD-1A) in the escrow transaction file.

(6) **Addendums.** Require an addendum to the purchase agreement for any and all material changes in the terms of the escrow transaction, including but not limited to, changes in the financing of the transaction.

(7) **Services.** Provide the services and perform all acts pursuant to the escrow instructions.

(8) **Closing statements.** Provide a complete detailed closing statement (for example HUD-1 or HUD-1A) as it applies to each principal at the time the transaction is closed. The escrow agent must retain a copy of all closing statements in the transaction file, even if funds are not handled by the agent. The closing statements must show, at a minimum:

- (a) The date of closing;
- (b) The total purchase price;
- (c) An itemization of all adjustments, moneys or things of value received or paid in compliance with requirements of

the Real Estate Settlement Procedures Act, 12 U.S.C. Section 2601, and Regulation X, 24 C.F.R. Section 3500, and all other applicable rules and regulations. Such itemization must include the name of the person or company to whom each individual amount is paid, or from whom each individual amount is received;

(d) A detail of debits and credits identified to each principal party; and

(e) Names of payees, makers and assignees of all notes paid, made or assumed.

(9) **Payment of proceeds.** Pay the net proceeds of sale directly to the seller unless otherwise provided in writing by the seller or a court of competent jurisdiction.

(10) **Obtain signatures.** Obtain original signatures of the principal parties on either the preliminary or final closing statement and maintain a copy of the signed closing statement in the escrow transaction file, unless the escrow instructions authorize use of faxed signatures. If an escrow agent completes a transaction based on faxed signatures in accordance with the escrow instructions, it must still obtain original signatures for the file.

(11) **Final closing statements.** Provide a copy of the final closing statement to each principal party and to each real estate broker or agent involved with the transaction.

#### NEW SECTION

**WAC 208-680-550 Am I obligated to conduct escrow transactions within the time period specified in the escrow instructions?** Yes. An escrow agent must perform all acts required of the escrow agent as expeditiously as possible and within any time period identified in the escrow instructions. Intentional or negligent delay in such performance is a violation of RCW 18.44.430 (1)(i), and may result in enforcement action by the department.

#### NEW SECTION

**WAC 208-680-560 What requirements must I follow when disbursing funds or other things of value?** (1) The escrow agent must disburse funds as set forth in the escrow instructions. Disbursement of any money or other or other things of value in violation before the happening of the conditions of the escrow instructions is a violation of RCW 18.44.430 (1)(e). Funds and other items or documents must be paid and/or disbursed immediately upon closing of the transaction or as specifically agreed to in writing by the principal parties, and all funds must be disbursed in compliance with RCW 18.44.400(3).

(2) Upon written notice from any principal party that the ownership of the funds is in dispute or is unclear based on the written agreements of the parties, the escrow agent must hold such funds until it receives written notice from all principal parties that the dispute has been resolved. In lieu of holding such funds, the escrow agent may interplead the funds into a court of competent jurisdiction pursuant to chapter 4.08 RCW. Upon notification of a bona fide dispute between the principal parties, the department may, at its discretion, order the escrow agent to interplead the funds into a court of competent jurisdiction. If the department orders an escrow agent

to interplead funds, the escrow agent may deduct only the actual costs of interpleading from the escrow funds.

(3) Except as provided otherwise in this section, at no time may an escrow agent disburse or delay the disbursement of funds without the written consent of the principal parties unless the delay is necessary to ensure the funds being disbursed are good funds.

#### NEW SECTION

#### **WAC 208-680-570 When do I have to notify the department about a lawsuit or complaint against me?**

Every escrow agent and escrow officer must, within twenty days after service or knowledge of a suit or complaint, notify the department of the following:

(1) Any criminal complaint, information, indictment, or conviction (including a plea of guilty or nolo contendere) in which the licensee is named as a defendant.

(2) Entry of a civil court order, verdict, or judgment, against the licensee in any court of competent jurisdiction in which the subject matter involves any escrow or business related activity by the licensee. Notification is required regardless of any pending appeal.

(3) Any administrative action or Washington state bar association disciplinary action taken against an escrow officer or any of an escrow agent's employees for subject matter involving escrow or related business activities, if the designated or branch designated escrow officer is aware of such action. Notification is required regardless of any pending appeal.

(4) If an escrow agent or escrow officer is aware of it, any criminal complaint, information, indictment, or conviction of any of a licensee's employees where the complaint, information, indictment, or conviction is for a felony or a gross misdemeanor involving dishonesty. Notification is required regardless of any pending appeal, and notifying the department under this section does not change an escrow agent's responsibilities under WAC 208-680-275.

#### NEW SECTION

**WAC 208-680-580 What are the responsibilities of a licensed escrow officer?** (1) It is the responsibility of every licensed escrow officer to be knowledgeable of and keep current with chapter 18.44 RCW and the rules implementing chapter 18.44 RCW.

(2) It is the responsibility of every licensed escrow officer to keep the department informed of his or her current home address.

(3) It is the responsibility of every licensed escrow officer to ensure accessibility of their escrow agent's offices and records to representatives of the department.

(4) It is the responsibility of every licensed escrow officer to promptly inform the department if he or she loses his or her affiliation with an escrow agent, and to stop conducting escrow transactions until he or she associates with a licensed escrow agent.

#### NEW SECTION

**WAC 208-680-590 What practices are violations of the act?** It is a violation of the act for you or your employees to:

(1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any person;

(2) Directly or indirectly engage in any unfair or deceptive practice toward any person;

(3) Directly or indirectly obtain property by fraud or misrepresentation;

(4) Knowingly make, publish, or disseminate any false, deceptive, or misleading information in the conduct of the business of escrow, or relative to the business of escrow or relative to any person engaged therein;

(5) Knowingly receive or take possession for personal use of any property of any escrow business, other than in payment authorized by this chapter, and with intent to defraud, omit to make, or cause or direct to be made, a full and true entry thereof in the books and accounts of the business;

(6) Make or concur in making any false entry, or omit or concur in omitting to make any material entry, in its books or accounts;

(7) Knowingly make or publish, or concur in making or publishing, any written report, exhibit, or statement of its affairs or pecuniary condition containing any material statement which is false, or omit or concur in omitting any statement required by law to be contained therein;

(8) Willfully fail to make any proper entry in the books of the escrow business required by law;

(9) Fail to disclose in a timely manner to the other officers, directors, controlling persons, designated escrow officer, or other licensed escrow officers the receipt of service of a notice of an application for an injunction or other legal process affecting the property or business of an escrow agent, including in the case of a licensed escrow agent an order to cease and desist or other order of the director;

(10) Fail to make any report or statement lawfully required by the director or other public official;

(11) Fail to comply with any requirement of any applicable federal or state act as described in RCW 18.44.301;

(12) Collect a fee for tracking unclaimed funds that is not a bona fide out-of-pocket expense;

(13) Convert unclaimed funds for personal use; or

(14) Receive compensation or any thing of value from any party for assisting in "real estate flopping." "Real estate flopping" is a short sale transaction where the value of a property is misrepresented to the lender, who then authorizes sale of the property for less than market value. The property is resold to another person at market value or closer to market value, creating a profit. The failure to disclose the nature of the transactions or the true value of the property to the lender constitutes fraud on the lender, the original property owner, or the second buyer, and is a violation of this chapter.

**EXAMINATIONS, INVESTIGATIONS,  
ENFORCEMENT, SANCTIONS, AND COSTS**

NEW SECTION

**WAC 208-680-610 What are the department's examination powers under the act?** (1) For the purposes of determining compliance with chapter 18.44 RCW and chapter 208-680 WAC, the department may examine, wherever located, the records used in the business of every licensee and any person who must be licensed under the act.

(2) The department may make necessary inquiry of the business or personal affairs of each person identified in subsection (1) of this section for the purposes of determining compliance with the act and these rules. In conducting examinations, the department may:

(a) Access, during reasonable business hours, the offices and places of business, books, accounts, papers, files, records, including electronic records, computers, safes, and vaults of all such persons. Access must be given to both the trust account records and general business account records;

(b) Interview or take sworn testimony of any person subject to RCW 18.44.021, or any employee or independent contractor of any person subject to RCW 18.44.021;

(c) Interview or take sworn testimony of any principal party or agent to the transaction;

(d) Require the filing of statements in writing by any person, under oath or otherwise, as to all facts and circumstances concerning the matters under examination;

(e) Copy, or request to be copied, any items described in this section;

(f) Analyze and review any items described in this section;

(g) Require assistance, as necessary, from any employee or person subject to the act;

(h) Conduct meetings and exit reviews with owners, management, officers, or employees of any person subject to the act; and

(i) Prepare and deliver, as necessary, a report of examination requiring a response from the recipient.

(3) The department may make examinations as frequently as it deems necessary or appropriate; and

(4) The department may charge an appropriate hourly audit fee for examination under RCW 18.44.121(5).

NEW SECTION

**WAC 208-680-620 What are the department's investigatory powers under the act?** (1) The department may make at any time public or private investigations within or outside of this state to determine whether any person has violated or is about to violate chapter 18.44 RCW, or any rule, regulation, or order under chapter 18.44 RCW, or to aid in the enforcement of chapter 18.44 RCW. For that purpose, the department may conduct inquiries, interviews, and examinations of any person deemed relevant to the investigation.

(2) The department may investigate the escrow business or other business or personal financial records of any person subject to investigation under subsection (1) of this section. In conducting investigations, the department may:

(a) Access, during reasonable business hours, any location where any escrow business records are or may be located, including offices, places of business, personal residences, storage facilities, computers, safes, and vaults, for the purposes of obtaining, reviewing, or copying books, accounts, papers, files, or records, including electronic records, or records stored in any format;

(b) Administer oaths or affirmations;

(c) Subpoena witnesses and compel their attendance at a time and place determined by the director or designated person;

(d) Subpoena the production of any evidence or matter which is relevant to the investigation, including the taking of such evidence;

(e) Subpoena any person to determine the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge or relevant facts, or any other matter reasonably calculated to lead to the discovery of material evidence;

(f) Interview, publicly or privately, under administration of oath or otherwise, or take the sworn testimony of: Any principal party, any agent to the transaction, any employee or independent contractor of any person subject to the act, or any other person whose testimony is deemed relevant to the department's investigation;

(g) Require the filing of statements, affidavits, or declarations in writing by any person, under administration of oath, notary or otherwise, as to all facts and circumstances concerning the matters under investigation;

(h) Copy, or request to be copied, any items described in this section, or if the department makes a determination that there is a danger that original records may be destroyed, altered, or removed to deny the director access, or that original documents are necessary for the preparation of a criminal referral, the department may take originals of any items described in this section, regardless of the source of such items. Originals and copies taken by the department may be held, returned, or forwarded to other regulatory or law enforcement officials as deemed necessary;

(i) Analyze and review any items described in this section;

(j) Receive assistance, as necessary, from any employee or other person subject to RCW 18.44.021;

(k) Conduct meetings and exit reviews with owners, management, officers, or employees of any person subject to RCW 18.44.021;

(l) Conduct meetings and share information with other regulatory or law enforcement agencies;

(m) Prepare and deliver, as necessary, a report of investigation requiring a response from the recipient.

(3) For purposes of this section and RCW 18.44.420(1), "public" means open to the public as determined by the department.

(4) For purposes of this section and RCW 18.44.420(1), "private" means closed to the public or any person, including attorneys for witnesses, as determined by the department.

NEW SECTION

**WAC 208-680-630 What are the department's enforcement powers under the act?** The department may conduct the following types of enforcement activity:

- (1) Enter orders, including temporary orders to cease and desist, compelling any person to cease and desist from an unlawful practice, and to take such affirmative action as in the judgment of the department will carry out the purposes of this chapter;
- (2) Enter charges for violations of chapter 18.44 RCW and chapter 208-680 WAC;
- (3) Bring an action, with or without prior administrative proceedings, in the superior court to enjoin conduct or to enforce compliance with chapter 18.44 RCW, or any rule, regulation, or order of the department;
- (4) Appoint a receiver or conservator to take over, operate, or liquidate any licensed escrow agent;
- (5) Hold hearings;
- (6) Make referrals to other regulatory or law enforcement agencies; or
- (7) Under specific circumstances, take control of an escrow agent. See WAC 208-680-645.

NEW SECTION

**WAC 208-680-640 Sanctions. (1) What sanctions may the department impose on a licensed escrow agent or officer?** The department may take any or all of the following actions against escrow licensees:

- (a) Deny, suspend, or revoke the escrow agent's license for any violation of RCW 18.44.430;
- (b) Remove or prohibit any corporate officer, controlling person, director, employee, or licensed escrow officer from participation in the conduct of the affairs of any licensed escrow agent, for any violation of RCW 18.44.430;
- (c) Order a licensed escrow agent or officer to pay restitution to an injured party; or
- (d) Impose a fine of up to one hundred dollars per day against any escrow officer or agent for each day's violation of chapter 18.44 RCW or these rules.

**(2) I work as an escrow agent, but I am excepted from licensure. What sanctions may the department impose on me for violations of the act?** The department may deny a future application for a license under the act.

**(3) I have been sanctioned in the past for providing unlicensed escrow services in Washington. May I apply for an escrow license?** Yes, if you were sanctioned more than five years ago. Under RCW 18.44.430, the department may deny a license to anyone who has violated the act or its implementing rules, including the licensure requirements. The department will not issue a license to a person who has provided unlicensed escrow services within the last five years, but may issue a license to a person whose unlicensed activity took place more than five years before his or her application. If your unlicensed activity was particularly widespread or egregious, or if it posed a particular risk to the public interest, the department may still deny you an escrow license even if your unlicensed activity took place more than five years before your application.

NEW SECTION

**WAC 208-680-645 Seizure of business. (1) When may the department take control of my escrow business?** The department may take control of a licensed escrow agent if, as a result of an examination, report, investigation, or complaint, it appears to the department that the licensee:

- (a) Is conducting business in an unsafe and unsound manner that poses a risk to the public;
- (b) Has suspended payment of its trust obligations;
- (c) Has refused to comply with a lawfully issued order of the department and one or more consumers are likely to be harmed by noncompliance.

A licensee may be considered to be conducting its business in an unsafe and unsound manner that is injurious to the public if it refuses to file a valid claim against its fidelity bond or errors and omissions policy for claims that affect a consumer and his or her property.

**(2) What can the department do with a business it has taken control of?** The department may take any action that the licensee would be able to take. At a minimum, the department may:

- (a) Work with other licensees to complete pending escrow transactions;
- (b) Discontinue unsafe or unsound practices and violations of laws or regulations;
- (c) Make good any deficiencies;
- (d) Make claims against the licensee's fidelity or surety bonds or errors and omissions insurance to make consumers harmed by employee activities whole;
- (e) Make restitution to injured parties;
- (f) Renew the licensee's license;
- (g) Renew or make premium payments to maintain the licensee's bonds and insurance; and
- (h) Take necessary steps to wind down the business of the escrow agent where it is clear that the escrow agent cannot be safely operated.

**(3) How long may the department keep control of a business?** The department may maintain control over a business until the licensee is able to resume business or the business is fully liquidated.

**(4) I also conduct nonescrow business through my licensed escrow agent business. If the department seizes my escrow business, will it also seize these other areas of business?** When possible, the department will only take control of the portion of a business related to escrow. If the portions of a business are not clearly divisible, the department will determine its actions on a case-by-case basis, based in part on the relationship between and degree of commingling of the business lines.

**(5) I am an attorney whose law practice is licensed as an escrow agent. Will the department seize my law practice under this section?** Where an attorney's law practice is excepted from licensure, the law practice is not subject to seizure under the act. For attorneys with a business entity licensed under the act, the department will generally not exercise its seizure authority against a business entity or portion of a business entity supervised by the Washington state bar association. In any event, the department will only take control of the portion of a business related to escrow as set forth in subsection (4) of the section.

NEW SECTION

**WAC 208-680-647 Seizure of business—Notice to licensee.** Under the circumstances set forth in WAC 208-680-645, the department may give the licensee notice to correct an unsafe or unsound condition. If the licensee fails to comply with the terms of the notice within thirty days of its issuance or within such further time as the department may allow, then the department may take possession of the licensee.

NEW SECTION

**WAC 208-680-648 What can I do if the department takes possession of my business without cause?** You may challenge the department's decision to take possession of your business by, within ten days of the department taking possession, serving notice on the department to appear before a superior court. The superior court must be the superior court of either Thurston County or the county where the licensee is located. The court will hold a hearing between five and fifteen days after receipt of notice, and you must show cause why the department's seizure should not be affirmed. The court will hear the case and will dismiss it if it finds that the department took possession in good faith and for cause. If the court finds that no cause existed, it will require the department to return control to you and enjoin the department from further interference without cause.

NEW SECTION

**WAC 208-680-650 What examination and investigation fees may the department charge me, and what specialists may the department retain in connection to its examination or investigation of an escrow agent or officer?** (1) The director may retain attorneys, appraisers, independent certified public accountants, or other professionals and specialists as examiners, auditors, or investigators, the cost of which shall be borne by the person who is the subject of the examination, audit, or investigation.

(2) The expense of an examination or investigation pursuant to WAC 208-680-610 or 208-680-620 inside or outside this state shall be borne by the person examined or investigated.

(3) The expenses of an examination or investigation pursuant to this section may include, but are not limited to, staff time, travel, lodging, per diem, and any other expenses related to the examination or investigation. At a reasonable time following each examination or investigation performed, the director must provide the person examined with an invoice for the expenses incurred during the examination or investigation. Payment of the invoiced amount is due within thirty days of the date of the invoice.

NEW SECTION

**WAC 208-680-660 Abandoned escrow records.** (1) **Does the department have the authority to collect abandoned escrow records?** Yes. The department has authority under RCW 18.44.420 to subpoena and take evidence or any record or records potentially relevant to violations of the act from any person possessing it. If a licensed, exempt, or unli-

censed escrow agent has abandoned its records, the department may exercise this authority to take control of those records from any person regardless of ownership, licensure status, or location.

(2) **If the department must take control of abandoned records, who is responsible for the costs?** The former licensees, including officers, directors, and controlling persons, are responsible for the costs of collection, storage, and conversion to electronic formats.

**ESCROW COMMISSION**NEW SECTION

**WAC 208-680-710 Organization of commission.** (1) **What is the escrow commission, and what are its duties?** The escrow commission is composed of the director or his or her designee and five board members appointed by the director. The commission provides advice on the escrow officer examination, acts in an advisory capacity to the department regarding the activities of escrow agents and escrow officers, and performs such other duties and functions as prescribed by chapter 18.44 RCW.

(2) **Are escrow commission meetings open to the public?** Yes. Meetings of the escrow commission are open to the public. Records, minutes, and recordings of each meeting are also available on the department's web site, [www.dfi.wa.gov](http://www.dfi.wa.gov).

NEW SECTION

**WAC 208-680-720 Escrow commission meeting notice. I would like to know when the next meeting of the escrow commission will be held. How can I get this information?** If you would like to know about the date, time, place and agenda of the escrow commission meetings, you may make a request of the department, or may join the department's escrow e-mail distribution list, the listserv, at <http://dfi.wa.gov/about/listservs.htm>.

Dates and times of the escrow commission's meetings are also posted on the department's web site, [www.dfi.wa.gov](http://www.dfi.wa.gov).

REPEALER

The following chapter of the Washington Administrative Code is repealed:

WAC 208-680A-020	Organization.
WAC 208-680A-030	Meeting notice.
WAC 208-680A-040	Definitions.

REPEALER

The following chapter of the Washington Administrative Code is repealed:

WAC 208-680B-010	Credit and character report.
WAC 208-680B-015	License not transferable— Notice of change in principal officer or controlling person.

- WAC 208-680B-020 Fingerprint identification.
- WAC 208-680B-030 Escrow officer examination.
- WAC 208-680B-050 Successful applicants must apply for license.
- WAC 208-680B-070 Misuse of escrow officer license prohibited.
- WAC 208-680B-080 Escrow officer and agent fees.
- WAC 208-680B-081 Fee increase.
- WAC 208-680B-082 Waiver of fees.
- WAC 208-680B-090 Dishonored checks and insufficient payment of fees.
- WAC 208-680B-100 Number of locations directly supervised by escrow officers simultaneously.
- WAC 208-680B-110 Escrow officers may only be designated to one company.
- WAC 208-680B-120 Escrow agent's prohibition of designated escrow officer.

**REPEALER**

The following chapter of the Washington Administrative Code is repealed:

- WAC 208-680C-020 Office identification.
- WAC 208-680C-030 Display of licenses.
- WAC 208-680C-040 Change of office location.
- WAC 208-680C-045 Closure of office.
- WAC 208-680C-050 Deceptive names prohibited.
- WAC 208-680C-060 Reporting significant events.

**REPEALER**

The following chapter of the Washington Administrative Code is repealed:

- WAC 208-680D-010 Designated escrow officer responsibilities.
- WAC 208-680D-020 Required records.
- WAC 208-680D-030 Accuracy and accessibility of records.
- WAC 208-680D-040 Agreements and closings.
- WAC 208-680D-050 Expeditious performance.
- WAC 208-680D-060 Disbursement of funds.
- WAC 208-680D-070 Suit or complaint notification.
- WAC 208-680D-080 Licensed escrow officers' responsibilities.

- WAC 208-680D-090 Escrow instructions, agreements, disclosures—Prohibitions.

**REPEALER**

The following chapter of the Washington Administrative Code is repealed:

- WAC 208-680E-011 Administration of funds held in trust.
- WAC 208-680E-025 Quarterly reports.

**REPEALER**

The following chapter of the Washington Administrative Code is repealed:

- WAC 208-680F-010 Bond.
- WAC 208-680F-020 Errors and omissions policy—Securities alternative.
- WAC 208-680F-040 Return of cash deposit or securities.
- WAC 208-680F-050 Claim on cash deposit or securities.
- WAC 208-680F-060 Cash deposit, securities—Full force and effect.
- WAC 208-680F-070 Cancellation of errors and omissions policy, new policy required.

**REPEALER**

The following chapter of the Washington Administrative Code is repealed:

- WAC 208-680G-010 Examinations.
- WAC 208-680G-020 Investigations.
- WAC 208-680G-030 Enforcement.
- WAC 208-680G-040 Sanctions.
- WAC 208-680G-050 Examination and investigation fees and expense—Authority to retain specialists.

**WSR 10-16-137**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**FINANCIAL INSTITUTIONS**  
 (Division of Consumer Services)  
 [Filed August 4, 2010, 8:21 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-099.

Title of Rule and Other Identifying Information: Amending the rules (chapter 208-620 WAC) that implement the Consumer Loan Act (CLA) (chapter 31.04 RCW).

Hearing Location(s): John A. Cherberg Senate Building, Senate Hearing Room 1, Capitol Campus, Capitol Way, Olympia, Washington 98504, on September 16, at 9 a.m.

Date of Intended Adoption: October 5, 2010.

Submit Written Comments to: Cindy Fazio, P.O. Box 41200, 150 Israel Road S.W., Olympia, WA 98504-1200, e-mail [lfazio@dfi.wa.gov](mailto:lfazio@dfi.wa.gov), by September 24, 2010.

Assistance for Persons with Disabilities: Contact Cindy Fazio by September 10, 2010, TTY (360) 664-8126 or (360) 902-8786.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules implement chapter 35, Laws of 2010, and are amendments that generally add clarity and consistency to the rules. Chapter 35, Laws of 2010, creates a licensing requirement for loan servicers and clarifies the licensing requirements for companies and individuals providing loan modification services. The proposed rule amendments are necessary to provide specificity and guidance for these requirements.

If the proposed rules in WAC 208-620-515 are adopted, they will supersede the rules adopted by emergency order filed August 4, 2010.

Reasons Supporting Proposal: Specific information provided in the rules is necessary to guide the regulated industries in complying with the laws.

Statutory Authority for Adoption: Chapter 43.320 RCW, RCW 31.04.165.

Statute Being Implemented: Chapter 31.04 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of financial institutions, governmental.

Name of Agency Personnel Responsible for Drafting: Cindy Fazio, 150 Israel Road, Olympia, WA, (360) 902-8800; Implementation and Enforcement: Deborah Bortner, 150 Israel Road, Olympia, WA, (360) 902-8800.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The rule amendments will not impose more than minor costs on the businesses impacted by the proposed rules.

A cost-benefit analysis is not required under RCW 34.05.328. Not applicable to the proposed rules.

August 4, 2010

Deborah Bortner, Director  
Division of Consumer Services

**AMENDATORY SECTION** (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-010 Definitions.** The definitions set forth in this section apply throughout this chapter unless the context clearly requires a different meaning.

"Act" means the Consumer Loan Act, chapter 31.04 RCW.

"Affiliate" means any person who controls, is controlled by, or is under common control with another.

"Annual percentage interest rate" means the rate of interest specified in the note.

"Annual percentage rate" has the same meaning as defined in Regulation Z, 12 C.F.R. Section 226 et seq.

"Application" means the submission of a borrower's financial information in anticipation of a credit decision relating to a residential mortgage loan, which includes the borrower's name, monthly income, Social Security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought. An application may be submitted in writing or electronically and includes a written record of an oral application. If the submission does not state or identify a specific property, the submission is an application for a prequalification and not an application for a residential mortgage loan under this part. The subsequent addition of an identified property to the submission converts the submission to an application for a residential mortgage loan.

"Bank Secrecy Act" means the Bank Secrecy Act (BSA), 31 U.S.C. 1051 et seq. and 31 C.F.R. Section 103.

"Bond substitute" means unimpaired capital, surplus and qualified long-term subordinated debt.

"Borrower" means any natural person who consults with or retains a licensee or person subject to this chapter in an effort to obtain or seek information about obtaining a loan, regardless of whether that person actually obtains such a loan.

"Common ownership" exists if an entity or entities possess an ownership or equity interest of five percent or more in another entity.

"Creditor" has the same meaning as in the Truth in Lending Act, 15 U.S.C. 1602(f).

"Department" means the department of financial institutions.

"Depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act on the effective date of this section, and includes credit unions.

"Depository Institutions Deregulatory and Monetary Control Act" means the Depository Institutions Deregulatory and Monetary Control Act of 1980 (DIDMCA), 12 U.S.C. § 1735f-7a.

"Director" means the director of the department of financial institutions or his or her designated representative.

"Equal Credit Opportunity Act" means the Equal Credit Opportunity Act (ECOA), 15 U.S.C. section 1691 and Regulation B, 12 C.F.R. Section 202.

"Fair Credit Reporting Act" means the Fair Credit Reporting Act (FCRA), 15 U.S.C. Section 1681 et seq.

"Fair Debt Collection Practices Act" means the Fair Debt Collection Practices Act, 15 U.S.C. section 1692.

"Federal banking agencies" means the Board of Governors of the Federal Reserve System, Comptroller of the Currency, Director of the Office of Thrift Supervision, National Credit Union Administration, and Federal Deposit Insurance Corporation.

"Federal Trade Commission Act" means the Federal Trade Commission Act, 15 U.S.C. section 45(a).

"Filing" means filing, recording, releasing or reconveying mortgages, deeds of trust, security agreements or other documents, or transferring certificates of title to vehicles.

"Gramm-Leach-Bliley Act (GLBA)" means the Financial Modernization Act of 1999, 15 U.S.C. Sec. 6801-6809, and the GLBA-mandated Federal Trade Commission (FTC) privacy rules, at 16 C.F.R. Parts 313-314.

"Home Mortgage Disclosure Act" means the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. sections 2801 through 2810 and 12 C.F.R. Section 203.

"Immediate family member" means a spouse, child, sibling, parent, grandparent, or grandchild. This includes step-parents, stepchildren, stepsiblings, and adoptive relationships.

"Individual servicing a mortgage loan" means a person who on behalf of a lender or servicer licensed by this state, or a lender or servicer exempt from licensing, who collects or receives payments including payments of principal, interest, escrow amounts, and other amounts due, on existing obligations due and owing to the licensed lender or servicer for a residential mortgage loan when the borrower is in default, or in reasonably foreseeable likelihood of default, working with the borrower and the licensed lender or servicer, collects data and makes decisions necessary to modify either temporarily or permanently certain terms of those obligations, or otherwise finalizing collection through the foreclosure process.

For purposes of this definition "on behalf of a lender or servicer" means that the individual person is employed by the lender or servicer and does not receive any compensation or gain directly or indirectly from the borrower for performing the described activities.

"Insurance" means life insurance, disability insurance, property insurance, insurance covering involuntary unemployment and such other insurance as may be authorized by the insurance commissioner in accordance with Title 48 RCW.

"Lender" means any person that extends money to a borrower with the expectation of being repaid.

"License" means a license issued under the authority of this chapter with respect to a single place of business.

"License number" means your NMLSR unique identifier displayed as prescribed by the director.

"Licensee" means a person who holds one or more current licenses.

"Live check" means a loan solicited through the mail in the form of a check, which, when endorsed by the payee, binds the payee to the terms of the loan agreement contained on the check.

"Loan" means a sum of money lent at interest or for a fee or other charges and includes both open-end and closed-end transactions.

~~("Loan modification" means a change in one or more of the residential mortgage loan conditions and includes forbearances; repayment plans; a change in interest rates; loan term (length); loan type (fixed or adjustable); the capitalization of arrearages; and principal reductions. "Loan modification" does not include services that result in refinancing a residential mortgage loan.)~~

"Loan originator" means the same as mortgage loan originator.

"Loan processor" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed, or exempt from licensing, under chapter 31.04 RCW.

A loan processor engaged as an independent contractor for a licensee must hold a mortgage loan originator license.

"Long-term subordinated debt" means for the purposes required in RCW 31.04.045 outstanding promissory notes or other evidence of debt with initial maturity of at least seven years and remaining maturity of at least two years.

"Making a loan" means advancing, offering to advance, or making a commitment to advance funds for a loan.

"Material litigation" means proceedings that differ from the ordinary routine litigation incidental to the business. Litigation is ordinary routine litigation if it ordinarily results from the business and does not deviate from the normal business litigation. Litigation involving five percent of the licensee's assets or litigation involving the government would constitute material litigation.

"Mortgage broker" means the same as in RCW 19.146-010 except that for purposes of this chapter, a licensee or person subject to this chapter cannot receive compensation as both a consumer loan licensee making the loan and as a mortgage broker in the same transaction.

"Mortgage loan originator" or "loan originator" means an individual who for compensation or gain (1) takes a residential mortgage loan application; or (2) offers or negotiates terms of a residential mortgage loan, including short sale transactions. Mortgage loan originator also includes an individual who for compensation or gain performs residential mortgage loan modification services or holds himself or herself out as being able to perform residential mortgage loan modification services. The term also includes an individual who holds himself or herself out as being able to provide the services.

"Mortgage loan originator" does not include any individual who performs purely administrative or clerical tasks and does not include a person or entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in section 101(53D) of Title 11, United States Code.

For the purposes of this definition, administrative or clerical tasks means the receipt, collection, and distribution of information common for the processing of a loan in the mortgage industry and communication with a consumer to obtain information necessary for the processing of a residential mortgage loan.

"Mortgage loan originator" does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable state law to conduct those activities, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such a lender, mortgage broker, or other mortgage loan originator. See the definition of real estate brokerage activity in this subsection.

This definition does not apply to an individual servicing a mortgage loan before July 1, 2011.

This definition does not apply to employees of a housing counseling agency approved by the United States department of Housing and Urban Development unless the employees of

a housing counseling agency are required under federal law to be individually licensed as mortgage loan originators.

"Nationwide Mortgage Licensing System and Registry (NMLSR)" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of mortgage loan originators.

"Nontraditional mortgage product" means any mortgage product other than a thirty-year fixed rate mortgage. This definition is limited to implementation of the S.A.F.E. Act.

"Out-of-state licensee" means a licensee that does not maintain a physical presence within the state, or a licensee that maintains headquarters or books and records outside Washington.

"Person" includes individuals, partnerships, associations, trusts, corporations, and all other legal entities.

"Principal" means either (1) any person who controls, directly or indirectly through one or more intermediaries, a ten percent or greater interest in a partnership, company, association or corporation; or (2) the owner of a sole proprietorship.

"Principal amount" means the loan amount advanced to or for the direct benefit of the borrower.

"Principal balance" means the principal amount plus any allowable origination fee.

"RCW" means the *Revised Code of Washington*.

"Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including (1) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property; (2) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property; (3) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing with respect to such a transaction; (4) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and (5) offering to engage in any activity, or act in any capacity, described in (1) through (4) of this definition.

"Real Estate Settlement Procedures Act" means the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. Sections 2601 et seq., and Regulation X, 24 C.F.R. Sections 3500 et seq.

"Records" mean books, accounts, papers, records and files, no matter in what format they are kept, which are used in conducting business under the act.

"Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling.

"Residential mortgage loan modification" means a change in one or more of a residential mortgage loan's terms or conditions. Changes to a residential mortgage loan's terms or conditions include, but are not limited to, forbearances; repayment plans; changes in interest rates, loan terms

(length), or loan types; capitalizations of arrearages; or principal reductions.

"Residential mortgage loan modification services" includes negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform residential mortgage loan modification services. Residential mortgage loan modification services also includes the collection of data for submission to an entity performing mortgage loan modification services. Residential mortgage loan modification services do not include actions by individuals servicing a mortgage loan before July 1, 2011.

"Registered mortgage loan originator" means any individual who (1) meets the definition of mortgage loan originator and is an employee of: A depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration; and (2) is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry.

("Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling.)

"S.A.F.E. Act" means the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, Title V of the Housing and Economic Recovery Act of 2008 ("HERA"), Public Law No. 110-289, effective July 30, 2008.

"Senior officer" means an officer of a consumer loan company at the vice-president level or above.

"Service or servicing a loan" means on behalf of the lender or investor of a residential mortgage loan:

(a) Collecting or receiving payments on existing obligations due and owing to the lender or investor, including payments of principal, interest, escrow amounts, and other amounts due;

(b) Collecting fees due to the servicer;

(c) Working with the borrower and the licensed lender or servicer to collect data and make decisions necessary to modify certain terms of those obligations either temporarily or permanently;

(d) Otherwise finalizing collection through the foreclosure process; or

(e) Servicing a reverse mortgage loan. RCW 31.04.015 (26).

"Service or servicing a reverse mortgage loan" means, pursuant to an agreement with the owner of a reverse mortgage loan: Calculating, collecting, or receiving payments of interest or other amounts due; administering advances to the borrower; and providing account statements to the borrower or lender. RCW 31.04.015(27).

"Simple interest method" means the method of computing interest payable on a loan by applying the annual percentage interest rate or its periodic equivalent to the unpaid balance of the principal amount outstanding for the time outstanding. Each payment must first be applied to any unpaid penalties, fees, or charges, then to accumulated interest, and last to the unpaid balance of the principal amount until paid in

full. In using such method, interest must not be payable in advance or compounded.

"State" means the state of Washington.

"Subsidiary" means a person that is controlled by another.

"Table funding" means a settlement at which a mortgage loan is funded by a contemporaneous advance of loan funds and an assignment of the loan to the person advancing the funds.

"Telemarketing and Consumer Fraud and Abuse Act" means the Telemarketing and Consumer Fraud and Abuse Act, 15 U.S.C. § 6101 to 6108.

"Telephone Sales Rule" means the rules promulgated in 16 C.F.R. Part 310.

"Third-party residential mortgage loan modification services" means residential mortgage loan modification services offered or performed by any person other than the owner or servicer of the loan.

"Third-party service provider" means any person other than the licensee who provides goods or services to the licensee in connection with the preparation of the borrower's loan and includes, but is not limited to, credit reporting agencies, title companies, appraisers, structural and pest inspectors, or escrow companies.

"Truth in Lending Act" means the Truth in Lending Act (TILA), 15 U.S.C. Sections 1601 et seq., and Regulation Z, 12 C.F.R. Sections 226 et seq.

"Unique identifier" means a number or other identifier assigned by protocols established by the nationwide mortgage licensing system and registry.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-105 Who is exempt from licensing as a mortgage loan originator under this act?** The following are exempt from licensing as a mortgage loan originator:

(1) Registered mortgage loan originators employed by an entity that is exempt from the act;

(2) Any individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual;

(3) Any individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual's residence;

(4) A Washington licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator; and

(5) Individuals that do not take residential mortgage loan applications or negotiate the terms of residential mortgage loans for compensation or gain.

NEW SECTION

**WAC 208-620-231 Which companies must have a consumer loan license to service residential mortgage loans secured by Washington residential real estate or**

**obligating Washington residents?** (1) Companies servicing loans they originated.

(2) Companies servicing loans purchased post closing.

(3) Companies servicing loans owned by other companies.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-235 When making loans, is there a maximum rate of interest allowed under the act?** Yes. The note rate of interest may not exceed twenty-five percent per annum.

AMENDATORY SECTION (Amending WSR 06-04-053, filed 1/27/06, effective 2/27/06)

**WAC 208-620-250 If my out-of-state company applies for a license under the Consumer Loan Act do we have to have a branch in the state of Washington?** (1) You are not required to maintain a physical presence in this state to get a license but any location doing business under the act, wherever located, must be licensed.

(2) If you employ mortgage loan originators, those licensed employees must work from a licensed location. A licensed location can be a branch office or an individual loan originator's home.

NEW SECTION

**WAC 208-620-251 Are there any additional requirements for out-of-state licensees?** (1) **All locations must be licensed.** Any person that conducts business under the act with Washington residents or Washington residential real estate must obtain a license for all locations from which such business is conducted, including out-of-state locations, with the exception of those office locations providing only underwriting and back office services under WAC 208-620-310.

(2) **Keeping records out-of-state.** The director may approve the maintenance of a licensee's records at an out-of-state location. The licensee must request approval in writing and must agree to provide the director access to the records and pay the hourly rate plus travel costs pursuant to WAC 208-620-590.

(3) **Service on out-of-state licensee.** An out-of-state licensee's registered agent in Washington is the licensee's agent for service of process, notice, or demand.

NEW SECTION

**WAC 208-620-252 If I am offering loans by mail or internet to Washington residents, do I have to license those locations?** Any person that conducts business under the act with Washington residents must obtain a license for all locations including those that offer loans by mail or internet.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-260** **If I am licensed under the Consumer Loan Act, can I broker residential mortgage loans in the state of Washington?** Yes. You may broker loans under the Consumer Loan Act or Mortgage Broker Practices Act.

(1) If you broker loans under the Consumer Loan Act license, you are subject to the act and the loans are subject to the annual assessment under WAC 208-620-240.

(2) If you are licensed under the Mortgage Broker Practices Act, chapter 19.146 RCW, you must comply with that act. If you do hold that additional license, the loans you broker are subject to that act and are not subject to the annual assessment under this act.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-271** **Do I need a license to assist a borrower with a residential mortgage loan modification?** Yes. Persons providing loan modification services for compensation or gain must be licensed under this chapter, or under chapter 19.146 RCW. See also WAC 208-620-550 and 208-620-551.

AMENDATORY SECTION (Amending WSR 06-04-053, filed 1/27/06, effective 2/27/06)

**WAC 208-620-310** **Is it necessary to license an office that is only providing underwriting and other back-office services?** A location that is solely providing underwriting and other back-office services on Washington loans and has only incidental contact with the borrower, is not required to be licensed. Back office services do not include loan servicing.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-320** **What is the amount of the bond required for my consumer loan license?** (1) If you originate loans the bond amount is based on the annual dollar amount of loans you originate. See the following chart:

- |  |           |
|--|-----------|
| 1. Zero to twenty million in loans originated: | \$30,000  |
| 2. Twenty million to forty million:            | \$50,000  |
| 3. Forty million to fifty million:             | \$100,000 |
| 4. Fifty million and above:                    | \$150,000 |

(2) If you only service residential mortgage loans, your bond amount at application is thirty thousand dollars. Thereafter and subject to annual adjustment, your bond amount is based on the annual dollar amount of the residential mortgage loans serviced pursuant to the following (see RCW 31.04.-045(6)):

- |  |          |
|--|----------|
| 1. Zero to twenty million in loan principal: | \$30,000 |
| 2. Twenty million to forty million:          | Reserved |

- |                                    |          |
|------------------------------------|----------|
| 3. Forty million to fifty million: | Reserved |
| 4. Fifty million and above:        | Reserved |

(3) If you only offer residential mortgage loan modification services, your bond amount is thirty thousand dollars.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-325** **What will my bond amount be in the first year of licensing?** (1) Your initial bond amount will be based on either your prior year's loan origination volume in Washington or one hundred thousand dollars. See the bonding chart in WAC 208-620-320.

(2) If you only service residential mortgage loans your initial bond amount is thirty thousand dollars. For subsequent years see the bonding chart in WAC 208-620-320.

(3) If you only provide residential mortgage loan modification services, your bond amount is thirty thousand dollars initially and thereafter.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-327** **How often will my bond amount change?** Your bond amount may change annually depending on your volume of loan origination and loans serviced in Washington. See RCW 31.04.045(6). By March 1st of each year, you must determine your required bond amount and provide DFI with proof of having an adequate bond.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-328** **How often must I report my loan origination and loan servicing volume?** When the NMLS has developed the call report functionality you must report your loan origination and loan servicing volume ((each quarter when filing your call report (see WAC 208-620-431) and)) as directed on the form prescribed each year during the annual assessment period. ((By March 1st of each year, you must determine your required bond amount and provide DFI with proof of having an adequate bond.))

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-370** **What are the grounds for denying or conditioning my consumer loan company license application?** The director may deny or condition approval of a license application if the applicant or any principal, officer, or board director of the applicant:

- (1) Fails to pay a fee due the department or the NMLSR;
- (2) Fails to demonstrate financial responsibility, experience, character, and general fitness to operate a business honestly, fairly, and efficiently within the purposes of the Consumer Loan Act. The director may find that the person has failed to make the demonstration if, among other things:
  - (a) The person is or has been subject to an injunction or an administrative action issued pursuant to the Consumer Loan Act, the Consumer Protection Act, the Mortgage Bro-

ker Practices Act, the Insurance Code, the Securities Act, or similar laws in this or another state; or

(b) An independent credit report issued by a recognized credit reporting agency indicates that the person has a history of unpaid debts; or

(c) The person is the subject of a criminal felony indictment, or a criminal gross misdemeanor charge involving dishonesty or financial misconduct (RCW 31.04.055 (1)(d)); or

(d) The person is insolvent in the sense that the value of the applicant's or licensee's liabilities exceeds its assets or in the sense that the applicant or licensee cannot meet its obligations as they mature; or

(e) The person has had a license to conduct lending, residential mortgage loan servicing, or to provide settlement services associated with lending or residential mortgage loan servicing revoked or suspended by this state, another state, or by the federal government within five years of the date of submittal of a complete application for a license (see RCW 31.04.093 (6)(c)).

(3) Has misrepresented, omitted or concealed a material fact from the department or has misrepresented a material fact to the department;

(4) Has been found to have committed an act of misrepresentation or fraud in any aspect of the conduct of the lending or brokering business or profession;

(5) Has failed to complete its application as defined in WAC 208-620-280, within a reasonable time after being notified that the department considers the file abandoned for failure to provide requested information or documentation.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-371 May I employ someone to work with Washington residents or Washington property who has been convicted of a felony, or who has had a lending-related license revoked or suspended?** No. (1) Pursuant to RCW 31.04.093(6), the director may prohibit any officer, principal, or employee from participating in the affairs of any licensee if that officer, principal, or employee has been convicted of or pled guilty or nolo contendere to a felony in a domestic, foreign, or military court:

((1)) (a) During the seven-year period preceding the date of the proposed employment; or

((2)) (b) At any time preceding the date of the proposed employment, if the felony involved an act of fraud, dishonesty, breach of trust, or money laundering.

((3)) (2) For purposes of this section, "participation in the affairs of any licensee" means an officer, principal, or employee who will or does originate loans, supervise loan originators, or manage the loan production activities of the licensee.

(3) Additionally, the director may prohibit participation in the affairs of the licensee by any officer, principal, or employee who has had a license to engage in lending, or performance of a settlement service related to lending, revoked or suspended in this state or any state.

(4) The department considers it to be a deceptive practice in violation of RCW 31.04.027(2) for any licensee to employ an officer, principal, or employee to originate loans, super-

wise loan originators or manage the loan production activities of the licensee without first conducting a background check.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-373 What happens to residential mortgage loans in the pipeline if a mortgage loan originator leaves my company?** Existing loan applications must be processed by another licensed loan originator in the company. At the borrower's written request, the loan must be transferred to another licensed entity. You may pay the original loan originator for the work he or she performed prior to leaving.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-374 What action must I take in the NMLSR if I fire a residential mortgage loan originator or if ~~(the)~~ a residential mortgage loan originator quits?** You must file a relationship termination through the NMLSR within ten days of firing someone or the person quitting.

NEW SECTION

**WAC 208-620-375 May I pay a loan originator for the work he or she did prior to the licensing requirement when the loan closes after the licensing requirement date and the loan originator is not licensed?** Yes. You may pay a loan originator for work done prior to the licensing requirement.

AMENDATORY SECTION (Amending WSR 06-04-053, filed 1/27/06, effective 2/27/06)

**WAC 208-620-420 May I transact business ~~((in a name other than the name on my license))~~ ~~((No. A licensee may transact business such as making a loan or providing applicable disclosures only under the name on the license. A licensee))~~ (1) Transacting business is the completion or provision of applications or disclosures. You may only complete or provide transaction documents using the name on the license or as further described in subsection (3) of this section.**

(2) You may apply to the department to add a trade or doing business as (DBA) name to ((its)) your main office license but ((it)) you may not use the DBA ((doing business as)) alone to transact business. DBA names will only be attached to the main office license. Branch offices cannot have DBAs attached to the branch office license.

(3) If you transact business using a DBA you must use either the main office license number or main office license name with the DBA. See also WAC 208-620-620, 208-620-621 and 208-620-622.

NEW SECTION

**WAC 208-620-421 May I transact business over the internet using a URL address that is not my licensed business name?**

NEW SECTION

**WAC 208-620-422 Residential mortgage lending—When I transact business or advertise using the internet, is there specific content my web page must contain?** Yes. You must provide the following language, in addition to any other, on your web pages:

(1) **UNIQUE IDENTIFIER.** The company's NMLS unique identifier must be displayed on each of the licensee's web pages including branches and individual loan originator web pages when those loan originators are sponsored by the company. Branch unique identifiers must be displayed for any branch that has a web page separate from the company web page (in addition to the company unique identifier). Individual loan originators must display their individual unique identifier and the company unique identifier, and if applicable any branch unique identifier.

(2) **NAMES.** The company's name and any DBAs must be prominently displayed on the company's home page. Branch office home pages must display the main office company name.

(3) **LOAN ORIGINATORS.** Individual loan originator names, as they appear on their licenses must be displayed on all web sites, including any "personal" or individually created web site used to solicit Washington consumers.

(4) **CONTACT LINKS.**

(a) The company name and DBAs must be displayed on "contact us" page of any web site used to solicit Washington consumers, regardless of whether the web site was created at the main or branch office or loan originator level.

(b) The company's main office physical and mailing addresses of record must be displayed on the "contact us" portion of every web site used to solicit Washington consumers, regardless of whether the web site was created at the main or branch office or loan originator levels.

(c) The company contact person, telephone, fax, and e-mail (if any), as this information appears in the NMLS record must be displayed on the "contact us" page of every web site used to solicit Washington consumers, regardless of whether the web site was created at the main or branch office or loan originator levels.

(5) All URL addresses used by licensees to solicit Washington consumers must be approved by DFI as trade names or DBA names.

(6) **COMPLIANCE WITH OTHER LAWS.** Web site content used to solicit Washington consumers must comply with all relevant Washington state and federal statutes for specific services and products advertised on the web site.

(7) **OVERSIGHT.** The company is responsible for web site content displayed on all web pages used to solicit Washington consumers including main, branch, and loan originators.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-430 What are my annual filing requirements as a consumer loan licensee?** Each year you are required to file ~~((a consolidated))~~ annual reports on ~~((a))~~ forms provided by the department. You must also pay a fee (assessment) based on your ~~((loan portfolio balance at the~~

~~end of the prior calendar year, plus the loan activity conducted))~~ activities during the reporting year.

(1) **Annual reports and assessment due March 1st.** You must provide the ~~((completed consolidated))~~ annual reports ~~((, through the NMLSR))~~ by March 1st of each year. The worksheet and annual ~~((fee))~~ assessment must also be provided ~~((directly))~~ to the department by March 1st of each year.

(2) **Late penalties.** A licensee that fails to submit the required annual reports, worksheet, and assessment by March 1st is subject to a penalty of fifty dollars per report for each day of delay. For example, if the department receives the consolidated annual report and worksheet on March 4th, the licensee would have to pay an additional three hundred dollars as a late penalty. The maximum late penalty that will be assessed is five thousand dollars per year.

(3) **Failure to file.** If a licensee fails to pay its annual assessment ~~((and file a worksheet))~~ or reports by April 1st the director may file a claim against the licensee's surety bond for failing to faithfully conform to and abide by the Consumer Loan Act. The department may make a claim on the licensee's surety bond for the late penalties under subsection (2) of this section and the greater of:

- (a) The assessment paid the previous year;
- (b) The average annual assessment paid in the previous two years; or
- (c) Fifteen hundred dollars.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-431 What are my quarterly call report filing requirements if I make, broker, or service residential mortgage loans?** When the NMLSR develops the call report functionality you will be required to file ~~((quarterly))~~ call reports on the dates and in a form prescribed by NMLSR (see RCW 31.04.277).

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-440 How do I calculate my annual assessment for activity in Washington?** (1)(a) **Calculation of the annual assessment for loans made, brokered or purchased.** The annual assessment is based on the "adjusted total loan value" as defined in subsection (2) of this section. The amount of the annual assessment is determined by multiplying the adjusted total loan value of the loans in the year being assessed by .000180271.

**(b) Calculation of the annual assessment for residential loans serviced. Reserved.**

(2) **All loans counted in assessment calculation.** The "adjusted total loan value" is the sum of:

(a) The principal loan balance on Washington loans in your loan portfolio on December 31 of the prior year; plus

(b) The total principal loan amount of all first and junior lien Washington loans both under and over twelve percent interest, you made, brokered, or purchased during the assessment year.

(3) **Reverse mortgages.** Each reporting year, you will report and be assessed on:

- (a) The dollar amount of advances made; and
- (b) The dollar amount of accrued interest.

AMENDATORY SECTION (Amending WSR 08-15-125, filed 7/22/08, effective 8/22/08)

**WAC 208-620-460 Must I file my annual reports even if I go out of business during the year?** (1) A licensee that ceases operations during the year must file the ~~((consolidated))~~ annual reports and pay the annual assessment required in WAC 208-620-430 within thirty days of closure.

(2) Failure to file within thirty days of closure will trigger the bond claim process as described in WAC 208-620-430(3), or other action.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-499 What are my reporting requirements if I want to close my company or surrender my license?** If you cease doing business in Washington you must do the following:

(1) Submit a surrender request through the NMLSR within ten days of closing the company or surrendering the license; and

(2) File the final closure form, annual reports, worksheet, and submit any fees owed as required in WAC 208-620-430. Failure to file these reports within thirty days of closure will trigger the bond claim process as described in WAC 208-620-430(3), or other action ~~((; and))~~.

~~((3) Return your license to the department.)~~

Any Washington loans in your portfolio and CLA activity remain subject to the director's authority including investigation and examination, and the fees associated with those activities.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-510 What are my disclosure obligations to consumers?** (1) **Content requirements.** In addition to complying with the applicable disclosure requirements in the federal and state statutes referred to in WAC 208-620-505 if the loan will be secured by a lien on real property, you must also provide the borrower or potential borrower an estimate of the annual percentage rate on the loan and a disclosure of whether or not the loan contains a prepayment penalty within three days of receipt of a loan application.

(2) **Proof of delivery.** The licensee must be able to prove that the disclosures under subsection (1) of this section were provided within the required time frames. For purposes of determining the timeliness of the required early disclosures, the department may use the date of the credit report or may use the date of an application received from a broker. In most cases, proof of mailing is sufficient evidence of delivery. If the licensee has an established system of disclosure tracking that includes a disclosure and correspondence log, checklists, and a reasonable system for determining if a borrower did receive the documents, the licensee will be presumed to be in compliance.

(3) **Residential mortgage loans—Rate locks.** Within three days, including Saturdays, of receipt of a residential mortgage loan application you must provide the borrower with the following disclosure about the interest rate:

(a) If a ~~((lock-in))~~ rate lock agreement has not been entered into, you must disclose to the borrower that the disclosed interest rate and terms are subject to change.

(b) If a ~~((lock-in))~~ rate lock agreement has been entered into whether the ~~((lock-in))~~ rate lock agreement is guaranteed and whether and under what conditions any ~~((lock-in))~~ rate lock fees are refundable to the borrower.

(c) If the borrower wants to lock the rate after the initial disclosure, you must provide a new rate lock disclosure and a rate lock agreement within three days of the ~~((lock-in))~~ rate lock date that includes the following:

(i) The length of the ~~((lock-in))~~ rate lock period;

(ii) The expiration date of the ~~((lock-in))~~ rate lock;

(iii) The ~~((lock-in interest))~~ rate of interest locked;

(iv) If applicable, the index and a brief explanation of the type of index used, the margin, the maximum interest rate, and the date of the first interest rate adjustment; and

(v) Any other terms of the ~~((lock-in))~~ rate lock agreement.

(d) You must disclose payment of a rate lock fee as a cost in Block 2 of the GFE and as a credit ("P.O.C. (borrower)") on line 808 of the HUD-1 to the left of the borrower column.

(4) **Residential mortgage loans—Brokered loans.** ~~((a))~~ Within three business days following receipt of a residential mortgage loan application you must provide to each borrower:

(a) A good faith estimate that conforms with RESPA 24 C.F.R. 3500((-));

(b) ((Within three business days following receipt of a loan application you must provide to each borrower)) A truth in lending disclosure that conforms with Regulation Z, 12 C.F.R. Section 226.

(c) ((Whether a lock-in agreement has been entered into with the borrower.

(d)) A rate lock disclosure containing the following:

(i) If a ((lock-in)) rate lock agreement has been entered into whether the ((lock-in)) rate lock agreement is guaranteed and whether and under what conditions any ((lock-in)) rate lock fees are refundable to the borrower.

((e)) (ii) If the borrower wants to lock the rate after the initial disclosure, you must provide a new rate lock disclosure and a rate lock agreement within three days of the ((lock-in)) rate lock date ((that)). The rate lock agreement must include((s)) the following:

((f)) (A) The length of the ((lock-in)) rate lock period;

((g)) (B) The expiration date of the ((lock-in)) rate lock;

((h)) (C) The ((lock-in interest)) rate of interest locked;

((i)) (D) If applicable, the index and a brief explanation of the type of index used, the margin, the maximum interest rate, and the date of the first interest rate adjustment; and

((j)) (E) Any other terms of the ((lock-in)) rate lock agreement.

(d) You must disclose payment of a rate lock fee as a cost in Block 2 of the GFE and as a credit ("P.O.C. (borrower)") on line 808 of the HUD-1 to the left of the borrower column.

**(5) Residential mortgage loans—Shared appreciation mortgages (SAM) or mortgages with shared appreciation provisions.** Within three business days following receipt of a loan application for a shared appreciation mortgage, or a mortgage with a shared appreciation provision, you must provide each borrower with a written disclosure containing at a minimum the following:

(a) The percentage of shared equity or shared appreciation you will receive (or a formula for determining it);

(b) The value the borrower will receive for sharing his or her equity or appreciation;

(c) The conditions that will trigger the borrower's duty to pay;

(d) The conditions that may cause the lender to terminate the mortgage or shared appreciation provision early;

(e) The procedure for including qualifying major home improvements in the home's basis (if any);

(f) Whether a prepayment penalty applies or other conditions applicable, if a borrower wishes to repay the loan early, including but not limited to, any date certain after which the borrower can repay the loan by paying back the lender's funds plus accrued equity; and

(g) The date on which the SAM terminates and the equity or appreciation becomes payable if no triggering event occurs.

**(6) Loan modifications.** You must immediately inform the borrower in writing if the owner of the loan requires additional information from the borrower, or if it becomes apparent that a residential mortgage loan modification is not possible.

(7) Each licensee must maintain in its files sufficient information to show compliance with state and federal law.

**AMENDATORY SECTION** (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-515 What authority do I have as a licensee?** As a licensee you may:

(1) Lend money with a note rate that does not exceed twenty-five percent per annum as determined by the simple interest method of calculating interest owed. This applies only to nonmortgage loans, junior lien mortgage loans, and to lenders that are not "creditors" under the Depository Institutions Deregulatory and Monetary Control Act when making first lien mortgage loans. The requirement for the simple interest method of calculating interest does not apply to reverse mortgages.

(2)(a) Make open-end loans as provided in RCW 31.04.115.

(b) The annual fee allowed in RCW 31.04.115(3) may not exceed fifty dollars.

(c) The fee must be charged in advance and must be charged as a lump sum. It must not be charged monthly and must not be financed.

(3) In accordance with Title 48 RCW, sell insurance covering real and personal property, covering the life or disability or both of the borrower, covering the involuntary unem-

ployment of the borrower, or other insurance products approved by the Washington state office of the insurance commissioner.

(4) Service residential mortgage loans. See also WAC 208-620-320, 208-620-325, 208-620-550, 208-620-551, and 208-620-900.

(5) Provide loan modification services for residential mortgage loans. See also WAC 208-620-320, 208-620-325, 208-620-545, 208-620-550, and 208-620-552.

**AMENDATORY SECTION** (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-520 How long do I have to maintain my records under the Consumer Loan Act? What are the records I must maintain?**

(1) **General records.** Each licensee must preserve the books, accounts, records, papers, documents, files, and other information relevant to a loan for a minimum of twenty-five months after making the final entry on that loan at a location approved by the director. Mortgage transaction documents have a different retention period; see subsection (3)(a) of this section.

(2) **Advertising records.** These records include newspaper and print advertising, scripts of radio and television advertising, telemarketing scripts, all direct mail advertising, and any advertising distributed directly by delivery, facsimile or computer network.

(3) **Specific records.** The records required under subsection (1) of this section include, but are not limited to:

(a) **Mortgage transaction documents.** These documents must be retained for three years or the period of time required by federal law, whichever is longer;

(b) All forms of loan applications, written or electronic (the Fannie Mae 1003 is an example);

(c) The initial rate sheet or other supporting rate information;

(d) The last rate sheet, or other supporting rate information, if there was a change in rates, terms, or conditions prior to settlement;

(e) Rate lock agreements and the supporting rate sheets or other rate supporting document;

(f) All written disclosures required by the act and federal laws and regulations. Some examples of federal law disclosures include, but are not limited to: The good faith estimate, truth in lending disclosures, Equal Credit Opportunity Act disclosures, affiliated business arrangement disclosures, and RESPA servicing disclosure statement;

(g) Documents and records of compensation paid to employees and independent contractors;

(h) An accounting of all funds received in connection with loans with supporting data;

(i) Settlement statements (the final HUD-1 or HUD-1A);

(j) Broker loan document requests (may also be known as loan document request or demand statements) that include any prepayment penalties, terms, fees, rates, yield spread premium, loan type and terms;

(k) Records of any fees refunded to applicants for loans that did not close;

(l) All file correspondence and logs;

(m) All mortgage broker contracts with lenders and all other correspondence with the lenders; and

(n) All documents used to support the underwriting approval.

(4) Loan servicing documents. See subsection (1) of this section.

AMENDATORY SECTION (Amending WSR 06-04-053, filed 1/27/06, effective 2/27/06)

**WAC 208-620-530 Can I maintain my records electronically? Yes.** (1) **Records must be available.** The records required to be maintained by RCW 31.04.145 may be maintained by means of electronic display equipment if such equipment is made available upon request to the director or his or her representatives for purposes of examination or investigation.

(2) The hardware or software needed to display the record must also be maintained during the required retention period under WAC 208-620-520(1).

(3) **Hard copy upon request.** (~~A licensee~~) You must provide the records in hard copy upon request of the director.

NEW SECTION

**WAC 208-620-531 Must I have a records disaster recovery and information security plan? Yes.** You must have policies and procedures in place that detail your response to any event that results in damage or destruction to your records and information; however, that information is kept during the period of time you are required to maintain the records.

NEW SECTION

**WAC 208-620-545 Must I provide a written fee agreement when I provide residential mortgage loan modification services? Yes.** You must provide a written fee agreement as prescribed by the director when providing residential mortgage modification services. You must provide a copy of the signed fee agreement to the consumer and you must keep a copy as part of your books and records.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-550 What business practices are prohibited? (~~Under~~)** In addition to RCW 31.04.027, the following constitute an "unfair or deceptive" act or practice:

(1) Failure to provide the exact pay-off amount as of a certain date within five business days after being requested in writing to do so by a borrower or record or their authorized representative;

(2) Failure to record a borrower's payment as received on the day it is delivered to any of the licensee's locations during its regular working hours;

(3) Soliciting or entering into a contract with a borrower that provides in substance that the licensee may earn a fee or commission through its "best efforts" to obtain a loan even though no loan is actually obtained for the borrower;

(4) **Engaging in unfair or deceptive advertising practices.** Unfair advertising may include advertising that offends public policy, or causes substantial injury to consumers or to competition in the marketplace. See also WAC 208-620-630;

(5) Negligently making any false statement or willfully making any omission of material fact in connection with any application or any information filed by a licensee in connection with any application, examination or investigation conducted by the department;

(6) Making any payment, directly or indirectly, or withholding or threatening to withhold any payment, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;

(7) Leaving blanks on a document that is signed by the borrower or providing the borrower with documents with blanks;

(8) Failing to clearly disclose to a borrower whether the payment advertised or offered for a real estate loan includes amounts for taxes, insurance or other products sold to the borrower;

(9) Purchasing insurance on an asset secured by a loan without first attempting to contact the borrower by mailing one or more notices to the last known address of the borrower, unless mail has been previously returned as undeliverable from the address, in order to verify that the asset is not otherwise insured;

(10) Willfully filing a lien on property without a legal basis to do so;

(11) Coercing, intimidating, or threatening borrowers in any way with the intent of forcing them to complete a loan transaction;

(12) Failing to reconvey title to collateral, if any, within thirty business days when the loan is paid in full unless conditions exist that make compliance unreasonable;

(13) Intentionally delaying the closing of a residential mortgage loan for the sole purpose of increasing interest, costs, fees, or charges payable by the borrower;

(14) Steering a borrower to a residential mortgage loan with less favorable terms than they qualify for in order to increase the compensation paid to the company or mortgage loan originator. An example is counseling, or directing a borrower to accept a residential mortgage loan product with a risk grade less favorable than the risk grade the borrower would qualify for based on the licensee or other regulated person's then current underwriting guidelines, prudently applied, considering the information available to the licensee or other regulated person, including the information provided by the borrower;

(15) Failing to indicate on all residential mortgage loan applications the company's unique identifier, the loan originator's unique identifier, and the date the application was taken.

NEW SECTION

**WAC 208-620-551 Residential mortgage loan servicers—What business practices are prohibited?** In addition to

tion to RCW 31.04.027, you are prohibited from requiring or encouraging a borrower to:

- (1) Waive his or her legal defenses, counterclaims, and other legal rights against the servicer for future acts;
  - (2) Waive his or her right to contest a future foreclosure;
  - (3) Waive his or her right to receive notice before the owner or servicer of the loan initiates foreclosure proceedings;
  - (4) Agree to pay charges not enumerated in any agreement between the borrower and the lender, servicer, or owner of the loan; or
  - (5) Cease communication with the lender or investor.
- (6) You are further prohibited from:
- (a) Purchasing insurance on a property secured by a loan you service without providing one or more notices to the borrower's last known address in order to verify that the property is not otherwise insured.
  - (b) Knowingly misapplying or recklessly applying loan payments to the outstanding balance of a loan.
  - (c) Knowingly misapplying or recklessly applying payments to escrow accounts.
  - (d) Charging excessive or unreasonable fees to provide loan payoff information.
  - (e) Knowingly or recklessly providing inaccurate information to a credit bureau, thereby harming a borrower's creditworthiness.
  - (f) Collecting private mortgage insurance beyond the date for which private mortgage insurance is no longer required.
  - (g) Knowingly or recklessly facilitating the illegal foreclosure of real property collateral.

#### NEW SECTION

**WAC 208-620-552 Residential loan modification service providers—What business practices are prohibited?** In addition to RCW 31.04.027, you are prohibited from:

- (1) Collecting an advance fee of more than seven hundred fifty dollars.
- (2) Collecting an advance fee without a written fee agreement. See also WAC 208-620-545.
- (3) As a condition to providing loan modification services requiring or encouraging a borrower to:
  - (a) Waive his or her legal defenses, counterclaims, and other legal rights against the servicer for future acts;
  - (b) Waive his or her right to contest a future foreclosure;
  - (c) Waive his or her right to receive notice before the owner or servicer of the loan initiates foreclosure proceedings;
  - (d) Agree to pay charges not enumerated in any agreement between the borrower and the lender, servicer, or owner of the loan; or
  - (e) Cease communication with the lender, investor, or loan servicer or stop or delay making regularly scheduled payments on an existing mortgage unless a mortgage loan modification is completely negotiated and executed with the lender or investor and the modification agreement itself provides for a cessation or delay in making regularly scheduled payments; or

(f) Enter into any contract or agreement to purchase a borrower's property.

- (4) You are further prohibited from failing in a timely manner to:
  - (a) Communicate with or on behalf of the borrower;
  - (b) Act on any reasonable request from or take any reasonable action on behalf of a borrower.
- (5) Engaging in false or misleading advertising. In addition to WAC 208-620-630, examples of false or misleading advertising include:
  - (a) Advertising which includes a "guarantee" unless there is a bona fide guarantee which will benefit a borrower.
  - (b) Advertising which makes it appear that a licensee has a special relationship with lenders when no such relationship exists.
- (6) Leading a borrower to believe that the borrower's credit record will not be negatively affected by a mortgage loan modification when the licensee has reason to believe that the borrower's credit record may be negatively affected by the mortgage loan modification.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-555 What fees are allowed when making loans under the Consumer Loan Act?** (1) Residential mortgage loan origination fees. On first lien mortgage loans, licensees that are not "creditors" under Depository Institutions Deregulatory and Monetary Control Act may charge a nonrefundable, prepaid, loan origination fee not to exceed four percent of the first twenty thousand dollars and two percent thereafter of the principal amount of the loan advanced to or for the direct benefit of the borrower, which fee may be included in the principal balance of the loan. On junior lien mortgage loans, all licensees may charge a nonrefundable, prepaid, loan origination fee not to exceed four percent of the first twenty thousand dollars and two percent thereafter of the principal amount of the loan advanced to or for the direct benefit of the borrower, which fee may be included in the principal balance of the loan.

(2) ~~((On nonmortgage loans and junior lien mortgage loans,))~~ Nonmortgage loan origination fees. All licensees may charge a nonrefundable, prepaid, loan origination fee not to exceed four percent of the first twenty thousand dollars and two percent thereafter of the principal amount of the loan advanced to or for the direct benefit of the borrower, which fee may be included in the principal balance of the loan.

(3) Mortgage broker fees. When agreed to in writing by the borrower, a fee to a mortgage broker that is not owned by the licensee or under common ownership with the licensee and that performed services in connection with the origination of the loan. A licensee may not receive compensation as a mortgage broker in connection with any loan made by the licensee.

(4) Third-party fees.

(a) When agreed to in writing by the borrower, the payment of fees to third parties other than the licensee who provide goods or services to the licensee in connection with the preparation of the borrower's loan, including, but not limited to, credit reporting agencies, title companies, appraisers,

structural and pest inspectors, and escrow companies, when such fees are actually paid by the licensee to a third party for such services or purposes and may include such fees in the amount of the loan.

(b) However, no charge may be collected unless a loan is made, except for reasonable fees actually and properly incurred in connection with the appraisal of property by a qualified, independent, professional, third-party appraiser selected by the borrower and approved by the lender or in the absence of borrower selection, selected by the lender.

(c) You must not charge or collect any fee to be paid to a third-party service provider, as defined in WAC 208-620-010, in excess of the actual costs paid or to be paid. You may charge the borrower for costs of allowable third-party services as provided by RCW 31.04.105(3) at the time of application for the loan or at any time thereafter except as prohibited.

(5) **Rate lock fees.** When agreed to in writing by the borrower, a nonrefundable rate lock fee. The fee may be retained if the borrower breaks the rate lock agreement and you are making the loan, if you have paid a third party for the interest rate lock, or if you have otherwise made a financial commitment to protect the rate during the lock period. The fee may not be retained if the borrower rescinds the loan under Regulation Z, or if the borrower does not qualify for a loan. See also WAC 208-620-510(3).

(6) **Underwriting fees.** On first lien mortgages made by licensees that are not "creditors" under the Depository Institutions Deregulatory and Monetary Control Act, an underwriting fee.

(7) **Late payment penalties.** Not more than ten percent of any installment payment delinquent ten days or more.

(8) **Attorneys' fees.** Reasonable attorneys' fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt, a repossession, or a foreclosure when a debt is referred for collection to an attorney who is not a salaried employee of the licensee.

(9) The fees allowed in subsections (5) and (6) of this section must be included in the loan origination fee calculations described in subsections (1) and (2) of this section.

**AMENDATORY SECTION** (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-560 What fees are not allowed when making loans under the Consumer Loan Act?** (1) **Filing fees.** You must not charge or collect any funds from the borrower for the cost of filing, as defined in WAC 208-620-010, or for any other fees paid or to be paid to public officials, unless such charges are paid or are to be paid within one hundred eighty days by the licensee to public officials or other third parties for such filing. Any fee you collect(†) for releasing or reconveying the security for the obligation must be paid to an unrelated third party unless you can demonstrate activities you conducted to facilitate the reconveyance.

(2) **Dishonored check fees.** You must not charge or collect a fee in excess of the actual amount charged by the financial institution for a check, draft, ACH, or other transfer if returned unpaid or denied by the financial institution drawn upon. Only one fee may be collected with respect to a partic-

ular check, draft, ACH, or other transfer even if it has been returned or denied more than once.

(3) **Credit and noncredit insurance.**

(a) Except for the transaction described in (b) of this subsection, you may include the premiums for credit and noncredit insurance in the principal amount of the loan, provided that purchase of the insurance is not required to obtain a loan and that this fact is disclosed to the borrower in writing and the borrower's confirmation is obtained by signature on the disclosure form.

(b) You must not sell single premium credit insurance to a borrower at the inception of coverage unless the sale is in compliance with chapter 48.18 RCW.

(4) **Fees on existing loans.** Unless otherwise preempted under the Depository Institutions Deregulatory and Monetary Control Act, if you make a new loan or increases a credit line within one hundred twenty days after originating a previous loan or credit line to the same borrower, the origination fee on the new loan or increased credit line must be limited as follows:

(a) You must only charge an origination fee on that part of the new loan not used to pay the amount due on the previous loan;

(b) You must only charge an origination fee on the difference between the amount of the existing credit line and the increased credit line;

(c) The limits in (a) and (b) of this subsection do not apply if you refund the origination fee on the existing loan or credit line;

(d) The limits in (a) and (b) of this subsection do not apply if you can demonstrate a net tangible benefit to the borrower for the new loan or credit line increase. For purposes of this subsection a net tangible benefit may be demonstrated by a lower monthly payment, or a decrease in the interest rate. Any net tangible benefit analysis must include the fees or charges for the new loan or credit line increase.

(5) **Discount points.**

(a) You must not collect a fee from the borrower for lowering the interest rate unless the interest rate is actually reduced.

(b) Any applicable program add-on fees must be disclosed as part of the discount points.

(6) **Administrative fees.** On nonmortgages, junior lien and first lien mortgages by licensees who are not "creditors" under the Depository Institutions Deregulatory and Monetary Control Act, you must not collect a document preparation fee, a processing fee, an administrative fee, an application fee, or a courier fee unless paid to an unrelated third party and agreed to in writing in advance by the borrower.

(7) **Underwriting fees.** On nonmortgage and junior lien mortgage loans you must not collect an underwriting fee.

(8) **Prepayment penalty.** You must not collect a prepayment penalty on the following loans:

(a) Any nonmortgage loan;

(b) Any adjustable rate residential mortgage loan, except as allowed by RCW 19.144.040;

(c) Any junior lien mortgage loan; or

(d) Any loan you made if you are not a "creditor" under DIDMCA.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-565 What fees am I allowed to charge or receive when acting as a residential mortgage loan broker under the act?** (1) A broker's fee not to exceed four percent of the first twenty thousand dollars and two percent thereafter of the principal amount of the loan advanced to or for the direct benefit of the borrower, which fee may be included in the principal balance of the loan.

(2) A yield spread premium (YSP) if available. You must disclose the YSP as a dollar amount credited to the borrower on the good faith estimate and as applicable on the settlement statement.

(3) A processing fee when paid to an independent third-party processor.

NEW SECTION

**WAC 208-620-567 What fees can I charge when servicing residential mortgage loans under the act?** (1) You may charge servicing fees authorized by the loan documents, by law, or by the borrower. Examples include, but are not limited to, late fees as authorized by the loan documents, insufficient check fees as authorized by law, and wire transfer fees for wire transfers requested by the borrower.

(2) You may only charge a fee for a default related service that is a reasonable fee charged by a third party.

NEW SECTION

**WAC 208-620-568 What fees am I not allowed to charge when providing residential mortgage loan modification services under the act?** You must not charge total fees in excess of usual and customary charges, or total fees that are not reasonable in light of the service provided.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-620 How do I have to identify my business when I advertise?** You must either identify the business using your Washington consumer loan license number (~~or use~~), using the name on your Washington main office consumer loan license, or using an approved DBA name with either the main office license number or main office license name. For use of URL addresses and web pages, see WAC 208-620-420 through 208-620-422.

NEW SECTION

**WAC 208-620-621 May I advertise over the internet using a URL address that is not my licensed business name?** Yes, provided that any URL address you advertise takes the user directly to your main or home web page. If you want the user to be directed to a different main or home web page, the URL address must contain your license name in addition to any other names or words in the URL address. URL addresses may be used as DBA names upon request to and approval from DFI.

NEW SECTION

**WAC 208-620-622 Residential mortgage lending—When I advertise using the internet or any electronic form (including, but not limited to, text messages), is there specific content my web pages must contain?** Yes. You must provide the following language, in addition to any other, on your web pages or in any medium where you hold yourself out as being able to provide the services:

(1) Main or home page.

(a) The company's license name and NMLS unique identifier must be displayed on the licensee's main or home web page.

(b) If loan originators are named, their NMLS numbers must follow the names.

(c) The main or home page must also contain a link to the NMLS consumer access web site page for the company.

(2) Branch office web page - no DBA. Comply with subsection (1) of this section.

(3) Main or branch office web page - DBA. If the company uses a DBA on a web page the web page must contain the main office license name and subsection (1)(b) of this section and the web page must contain a link to the NMLS consumer access web site page for the company.

(4) Loan originator web page. If a loan originator maintains a separate home or main page, the URL address to the site must be a DBA of the licensee and the licensee's name must appear on the web page. The web page must also contain the loan originator's NMLS number and a link to the NMLS consumer access web page for the company.

(5) Compliance with other laws. Web site content used to solicit Washington consumers must comply with all relevant state and federal statutes for specific services and products advertised on the web site.

(6) Oversight. The company is responsible for web site content displayed on all company web pages used to solicit Washington consumers including main, branch, and loan originators web pages.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-630 What are the advertising restrictions?** (1) **Licensees are prohibited from advertising with envelopes or stationery that contain an official-looking emblem designed to resemble a government mailing or that suggest an affiliation that does not exist. Some examples of emblems or government-like names, language, or nonexistent affiliations that will violate the state and federal advertising laws include, but are not limited to:**

(a) Characterizing products as "government loan programs," "government-supported loans," or other words that may mislead a consumer into believing that the government is guaranteeing, endorsing, or supporting the advertised loan product. Using the words "FHA loan," "VA loan," or words for other products that are in fact endorsed or sponsored by a federal, state, or local government entity is allowed.

(b) An official-looking emblem such as an eagle, the Statue of Liberty, or a crest or seal that resembles one used by any state or federal government agency.

(c) Envelopes designed to resemble official government mailings, such as IRS or U.S. Treasury envelopes, or other government mailers.

(d) Warnings or notices citing government codes or form numbers not required by the U.S. Postmaster to be shown on the mailing.

(e) The use of the term "official business," or similar language implying official or government business, without also including the name of the sender.

(f) Any suggestion or representation that the licensee is, or is affiliated with, a state or federal agency, municipality, bank, savings bank, trust company, savings and loan association, building and loan association, credit union, or other entity that it does not actually represent.

**(2) When I am advertising interest rates, the act requires me to conspicuously disclose the annual percentage rate (APR) implied by the rate of interest. What does it mean to "conspicuously" disclose the APR?** The required disclosures in your advertisement must be reasonably understandable. Consumers must be able to see, read, or hear, and understand the information. Many factors, including the size, duration, and location of the required disclosures, and the background or other information in the advertisement, can affect whether the information is clear and conspicuous. This requirement applies to all mandatory disclosures. The disclosure of the APR must be at least equivalent to any other rates disclosed in the advertisement.

**(3) The act prohibits me from advertising an interest rate unless that rate is actually available at the time of the advertisement. How may I establish that an advertised interest rate was "actually available" at the time it was advertised?** Whenever a specific interest rate is advertised, the licensee must retain a copy of supporting rate information, and the APR calculation for the advertised interest rate.

**(4) Must I quote the annual percentage rate when discussing rates with a borrower?** Yes. You must quote the annual percentage rate and other terms of the loan if you give an oral quote of an interest rate to the borrower. TILA's Regulation Z, 12 C.F.R., part 226.26 provides guidance for using the annual percentage rate in oral disclosures.

**(5) May a licensee advertise rates or fees as the "lowest" or "best"?** No. Rates described as "lowest," "best," or other similar words cannot be proven to be actually available at the time they are advertised. Therefore, they are a false or deceptive statement or representation prohibited by RCW ((19.146.0201(7))) 31.04.027.

**(6) May I solicit using advertising that suggests or represents that I am affiliated with a state or federal agency, municipality, federally insured financial institution, trust company, building and loan association, when I am not; or that I am an entity other than who I am?** No. It is an unfair and deceptive act or practice and a violation of the act for you to suggest or represent that you are affiliated with a state or federal agency, municipality, federally insured financial institution, trust company, building and loan association, or other entity you do not actually represent; or to suggest or represent that you are any entity other than who you are.

**(7) If I advertise using a borrower's current loan information, what must I disclose about that informa-**

**tion?** When an advertisement includes information about a borrower's current loan that you did not obtain from a solicitation, application, or loan, you must provide the borrower with the name of the source of the information.

**(8) Is it a violation to advertise that third-party services are "free" when the licensee has paid for the services?** Yes. Advertising using the term "free," or any other similar term or phrase that implies there is no cost to the applicant is deceptive because you can recover the cost of the purportedly "free" item through the negotiation process. This is a violation of RCW 31.04.027 (2), (7), and (10). See the Federal Trade Commission's *Guide Concerning Use of the Word "Free" and Similar Representations*, available at <http://www.ftc.gov/bcp/guides/free.htm>, 16 C.F.R. § 251.1(g) (2003).

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-700 Loan originator—General. (1) May I work from any location when I am a licensed loan originator?** No. You can only work from a licensed location. The licensed location can be the main office, or any licensed branch.

**(2) May I transfer loan files to another licensed entity?** No. Loan files are the property and responsibility of the company named on the loan application. Only the borrower may submit a written request to the company to transmit the borrower's selected information to another entity. The company must transmit the information within five business days after receiving the borrower's written request.

**(3) May I act as a loan originator and a real estate agent in the same transaction or for the same borrower in different transactions?** Yes, you may be both the loan originator and real estate broker or salesperson in the same transaction, or for the same borrower in different transactions. When either of these occur, you must provide to the borrower the following written disclosure:

"THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LOAN ORIGINATOR AND WOULD LIKE TO PROVIDE MORTGAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY.

YOU ARE NOT REQUIRED TO USE ME AS A LOAN ORIGINATOR IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING."

**(4) As a loan originator, may I be paid directly by the borrower for my services?** No. You may not be paid any compensation or fees directly by the borrower.

**(5) May I charge the borrower a fee, commission, or other compensation for preparing, negotiating, or brokering a loan for the borrower?** No. You may not charge the borrower a fee, commission, or compensation of any kind in connection with the preparation, negotiation, or brokering of a residential mortgage loan.

(6) **May I bring a lawsuit against a borrower for the collection of compensation?** No. Only the company may bring collection actions against borrowers to collect compensation.

(7) **May I work as a licensed loan originator for a consumer loan company located out of the state?** Yes. You may originate loans for any company you are sponsored by ~~((who is licensed or exempt from licensing under Washington law))~~ as long as the out-of-state company licenses a branch in Washington for you to work from. See subsection (1) of this section.

(8) **May I hire employees or independent contractors to assist me?** No. Only the consumer loan company can ~~((have))~~ hire employees or independent contractors to work for the company. This prohibition against loan originators hiring employees or independent contractors includes clerical or administrative personnel and loan processors whose work is related to the consumer loan company's activities.

(9) **Do loan processors have to be licensed as loan originators?** W-2 employee loan processors are not required to have a loan originator license provided they work under the supervision and instruction of a licensed or exempt consumer loan company and do not hold themselves out as able to conduct the activities of a loan originator.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-710 Loan originator—Licensing. (1) Must I have a license to act as a mortgage loan originator for a consumer loan company?** Yes. You must not engage in the business of a mortgage loan originator without first obtaining and maintaining annually a license under this act. You must register with and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry (NMLSR).

(2) **How do I apply for a loan originator license?** Your application consists of filing an on-line application through the NMLSR and providing Washington specific requirements directly to DFI. You must pay an application fee and filing fee through the NMLSR system.

(3) **What are the eligibility requirements to become a licensed loan originator?**

(a) Be eighteen years or older.

(b) Have a high school diploma, an equivalent to a high school diploma, or three years work experience in the industry.

(i) The work experience must be in one or more of the following, within the last five years:

(A) As a mortgage broker or designated broker of a mortgage broker for a minimum of two years; or

(B) As a mortgage banker, responsible individual, or manager of a mortgage banking business; or

(C) As a loan originator with responsibility primarily for originating loans secured by a lien on residential real estate; or

(D) As a branch manager of a lender with responsibility primarily for loans secured by a lien on residential real estate; or

(E) As a manager or supervisor of mortgage loan originators; or

(F) As a mortgage processor, underwriter, or quality control professional; or

(G) As a regulator, examiner, investigator, compliance expert, or auditor, whose primary function is the review of mortgage companies and their compliance processes, and the department determines your background is sufficient.

(ii) The work experience must be evidenced by a detailed work history and:

(A) W-2 Federal Income Tax Reporting Forms in the designated broker appointee's name; or

(B) 1099 Federal Income Tax Reporting Forms in the designated broker appointee's name; or

(C) Corporate tax returns signed by the designated broker appointee or corporate officer for a licensed or exempt residential mortgage company.

(iii) In addition to supplying the application information, both you and the company intending to sponsor you must be in good standing with the department.

(c) **Demonstrate financial responsibility.** For the purposes of this section, an applicant has not demonstrated financial responsibility when the applicant shows disregard in the management of his or her financial condition. A determination that an individual has shown disregard in the management of his or her financial condition may include, but is not limited to, an assessment of: Current outstanding judgments, except judgments solely as a result of medical expenses; current outstanding tax liens or other government liens and filings; foreclosures within the last three years; or a pattern of seriously delinquent accounts within the past three years.

(d) Complete twenty hours of prelicensing education from an NMLSR approved provider. See WAC 208-620-720.

(e) **Pass a licensing test.** You must take and pass the NMLSR tests that assess your knowledge of the mortgage business and related regulations at the federal and state level. See WAC 208-620-725.

(f) **Submit an application.** You must complete an application through the NMLSR and provide information directly to DFI. You must pay application and filing fees to the NMLSR.

(g) **Prove your identity.** You must provide information to prove your identity.

(h) **Provide a bond.**

(i) If you are employed by a company that is exempt from licensing, or uses a bond substitute, you must obtain and maintain an individual bond based on the volume of your mortgage loan origination activity. By March 1st of each year, you must determine your required bond amount and provide DFI with proof of having an adequate bond. The bond must be in the following amount:

1. Zero to twenty million in loans originated:	\$20,000
2. Twenty million to thirty million:	\$30,000
3. Thirty million to forty million:	\$40,000
4. Forty million and above:	\$50,000

(ii) If you are employed by a company that is exempt and is a nonprofit housing organization making loans under housing programs that are funded in whole or in part by federal or state programs with the primary purpose of assisting low-income borrowers with purchasing or repairing housing or for the development of housing for low-income Washington state residents, the bond must be in the following amounts:

- |   |          |
|---|----------|
| 1. Zero to fifty million in loans originated: | \$10,000 |
| 2. Fifty +:                                   | \$20,000 |

(i) File a quarterly call report. Reserved.

**(4) In addition to reviewing my application, what else will the department consider to determine if I qualify for a loan originator license?**

(a) **General fitness and prior compliance actions.** The department will investigate your background to see that you demonstrate the experience, character, and general fitness that commands the confidence of the community and creates a belief that you will conduct business honestly and fairly within the purposes of the act. This investigation may include a review of the number and severity of complaints filed against you, or any person you were responsible for, and a review of any investigation or enforcement activity taken against you, or any person you were responsible for, in this state, or any jurisdiction.

(b) **License suspensions or revocations.** You are not eligible for a loan originator license if you have been found to be in violation of the act or the rules, or have had a license issued under the act or any similar state statute suspended or revoked.

(c) **Criminal history.** You are not eligible for a loan originator license if you have been convicted of, or pled guilty or nolo contendere to a felony in a domestic, foreign, or military court:

(i) During the seven-year period preceding the date of the application for licensing and registration; or

(ii) At any time preceding the date of application, if the felony involved an act of fraud, dishonesty, breach of trust, or money laundering.

**(5) What will happen if my loan originator license application is incomplete?** After submitting your on-line application through the NMLSR and filing the required information and documentation with the department, the department will notify you of any application deficiencies.

**(6) How do I withdraw my application for a loan originator license?**

(a) Once you have submitted the on-line application through NMLSR you may withdraw the application through NMLSR. You will not receive a refund of the NMLSR filing fee or the amount the department uses to investigate your license application.

(b) The withdrawal of your license application will not affect any license suspension or revocation proceedings in progress at the time you withdraw your application through the NMLSR.

**(7) When will the department consider my loan originator license application to be abandoned?** If you do not respond within fifteen days and as directed by the department, your loan originator license application is considered

abandoned and you forfeit all fees paid. Failure to provide the requested information will not affect new applications filed after the abandonment. You may reapply by submitting a new application package and new application fee.

**(8) What happens if the department denies my application for a loan originator license, and what are my rights if the license is denied?** See WAC 208-620-615.

**(9) May I transfer, sell, trade, assign, loan, share, or give my loan originator license to someone else?** No. A loan originator license authorizes only the individual named on the license to conduct the business at the location listed on the license.

**(10) How do I change information on my loan originator license?** You must submit an amendment to your license through the NMLSR. You may be charged a fee.

**(11) What is an inactive loan originator license?** When a licensed loan originator is not sponsored by a licensed or exempt entity, the license is inactive. When a person holds an inactive license, they may not conduct any of the activities of a loan originator, or hold themselves out as a licensed loan originator.

**(12) When my loan originator license is inactive, am I subject to the director's enforcement authority?** Yes. Your license is granted under specific authority of the director and under certain situations you may be subject to the director's authority even if you are not doing any activity covered by the act.

**(13) When my loan originator license is inactive, must I continue to pay annual fees, and complete continuing education for that year?** Yes. You must comply with all the annual licensing requirements or you will be unable to renew your inactive loan originator license.

**(14) May I originate loans from a web site when my license is inactive?** No. You may not originate loans, or engage in any activity that requires a license under the act, while your license is inactive.

**(15) How do I activate my loan originator license?** The sponsoring company must submit a sponsorship request for your license through the NMLSR. The department will notify you and the sponsoring company if approved.

**(16) When may the department issue interim loan originator licenses?** To prevent an undue delay, the director may issue interim loan originator licenses with a fixed expiration date. The license applicant must have substantially met the initial licensing requirements, as determined by the director, to receive an interim license. In no case shall these requirements be less than the minimum requirements to obtain a license under the S.A.F.E. Act.

~~((One example of having substantially met the initial licensing requirements is: Submitting a complete application, paying all application fees, and the department having received and reviewed the results of the applicant's background check.))~~

**(17) When does my loan originator license expire?** The loan originator license expires annually on December 31st. If the license is an interim license, it may expire in less than one year.

**(18) How do I renew my loan originator license?**

(a) Before the license expiration date you must renew your license through the NMLSR. Renewal consists of:

- (i) Paying the annual assessment fee; and
- (ii) Meeting the continuing education requirement.

(b) The renewed license is valid until it expires, or is surrendered, suspended or revoked.

**(19) If I let my loan originator license expire, must I apply to get a new license?** If you complete all the requirements for renewal before March 1st, you may renew an existing license. However, if you renew your license during this two-month period, in addition to paying the annual assessment on your license, you must pay an additional fifty percent of your annual assessment. See subsection (17) of this section for the license renewal requirements.

During this two-month period, your license is expired and you must not conduct any business under the act that requires a license.

Any renewal requirements received by the department must be evidenced by either a United States Postal Service postmark or department "date received" stamp by March 1st. If you fail to comply with the renewal request requirements you must apply for a new license.

**(20) If I let my loan originator license expire and then apply for a new loan originator license within one year of the expiration, must I comply with the continuing education requirements from the prior license period?** Yes. Before the department will consider your new loan originator application complete, you must provide proof of satisfying the continuing education requirements from the prior license period.

**(21) May I still originate loans if my loan originator license has expired?** No. Once your license has expired you may no longer conduct the business of a loan originator, or hold yourself out as a licensed loan originator, as defined in the act and these rules.

**(22) May I surrender my loan originator's license?** Yes. Only you may surrender your license before the license expires through the NMLSR.

Surrendering your loan originator license does not change your civil or criminal liability, or your liability for any administrative actions arising from acts or omissions occurring before the license surrender.

**(23) Must I display my loan originator license where I work as a loan originator?** No. Neither you nor the company is required to display your loan originator license. However, evidence that you are licensed as a loan originator must be made available to anyone who requests it.

**(24) If I operate as a loan originator on the internet, must I display my license number on my web site?** Yes. You must display your license number, and the license number and name as it appears on the license of the company you represent, on the web site.

**(25) Must I include my loan originator license number on any documents?** You must include your license number immediately following your name on solicitations, correspondence, business cards, advertisements, and residential mortgage loan applications.

**(26) When must I disclose my loan originator license number?** In the following situations you must disclose your loan originator license number and the name and license number of the company you are associated with:

(a) When asked by any party to a loan transaction, including third-party providers;

(b) When asked by any person you have solicited for business, even if the solicitation is not directly related to a mortgage transaction;

(c) When asked by any person who contacts you about a residential mortgage loan;

(d) When taking a residential mortgage loan application.

**(27) May I conduct business under a name other than the name on my loan originator license?** No. You must only use the name on your license when conducting business. If you use a nickname for your first name, you must use your name like this: "FirstName "Nickname" LastName."

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-725 Loan originator—Testing. Must I pass a test prior to becoming a loan originator?** Yes.

(1) You must take and pass the NMLSR sponsored loan originator test. The test has two parts; one on federal law and regulation, and one on Washington specific law and regulation. You must receive a score of seventy-five percent or higher to pass the test.

(2) **Where may I find information about the loan originator test?** The NMLSR web site will publish the names and contact information of approved testing providers.

(3) **How much does the loan originator test cost?** Testing costs are set by the test provider and the NMLSR and may be modified from time to time. The NMLSR web site will publish the current testing fee with the testing provider contact information.

(4) **How do I register to take the loan originator test?** Register through the NMLSR web site.

(5) **What topics may be covered in the loan originator test?** At a minimum, the test topics will include ethics, federal and state law and regulation pertaining to mortgage origination, federal and state law and regulation on fraud, consumer protection, nontraditional mortgage products, and fair lending.

(6) **After passing the NMLSR loan originator test, will I have to take it again?** If you fail to maintain a valid license for a period of five years or longer you must retake the test, not taking into account any time during which you were a registered mortgage loan originator.

(7) **How soon after failing the loan originator test may I take it again?** After taking and failing the test you must wait thirty days before taking it again. After failing (~~three~~) four consecutive times, you must then wait at least six months before taking the test again.

AMENDATORY SECTION (Amending WSR 09-24-090, filed 12/1/09, effective 1/1/10)

**WAC 208-620-830 What disclosures or statements must I provide to a borrower?** In addition to any disclosures required by federal law, you must provide, at a minimum, the following:

(1) Counseling disclosure. You must provide the following plain language statement in conspicuous bold sixteen-point type or larger, prior to receiving a complete and final

loan application: "Important notice to reverse mortgage loan applicant: A reverse mortgage is a complex financial transaction that provides a means of using the equity you have built up in your home, or the value of your home, as a way to access home equity. If you decide to obtain a reverse mortgage loan, you will sign binding legal documents that will have important legal, tax, and financial implications for you and your estate. It is very important for you to understand the terms of the reverse mortgage and its effect. Before entering into this transaction, you are required by law to consult with an independent loan counselor. A list of approved counselors will be provided to you by the lender or broker. You may also want to discuss your decision with family members or others on whom you rely for financial advice."

(2) Loan statements. You or the loan servicer must provide an annual, or more frequent, disclosure statement to the borrower, providing details of the loan advances, balance, other terms, and the name and telephone number of the lender's employee or agent who has been specifically designated to respond to inquiries concerning reverse mortgage loans.

(3) Benefits and tax disclosure. You must provide the following statement prior to or simultaneously with receiving an initial loan application:

"If you receive advances under the terms of a reverse mortgage, you may lose your right to receive certain public funds, such as Medicaid, and possibly others. Also, receiving advances under the terms of a reverse mortgage may have tax consequences for you. You may wish to obtain advice from a tax professional or an attorney before you decide on a reverse mortgage."

#### NEW SECTION

**WAC 208-620-835 Under what circumstances will the department determine that the making of a reverse mortgage was unsuitable for a particular borrower and therefore an unfair and deceptive practice in violation of RCW 31.04.027?** Examples of circumstances which might indicate that an offered reverse mortgage loan is unsuitable include reverse mortgage loans when the applicant:

(1) Does not intend to reside in the property on a long-term basis.

(2) Does not want nonborrower residents of the property to be displaced at the maturity of the loan because they will not be able to pay off the reverse mortgage loan.

(3) Will use the proceeds of the reverse mortgage loan to purchase a product, such as annuities or other investments, which are not appropriate for the borrower.

(4) Does not understand the terms and conditions of a reverse mortgage loan or what happens to the collateral when the reverse mortgage loan matures.

(5) Would receive disbursements from the reverse mortgage loan that are insufficient to meet the applicant's stated needs or is not enough to justify the initial cost of a reverse mortgage loan.

## LOAN SERVICING REQUIREMENTS

### NEW SECTION

**WAC 208-620-900 What requirements must I comply with when servicing residential mortgage loans?** In addition to complying with all other provisions of the act you must:

(1)(a) Comply with applicable federal laws or regulations when servicing a residential mortgage loan.

(b) Comply with applicable federal laws or regulations when servicing a residential mortgage loan guaranteed or insured by a government program.

(c) Comply with applicable federal laws or regulations when servicing a residential mortgage loan guaranteed or insured by Fannie Mae or Freddie Mac.

(d) A violation of applicable federal law is a violation of this act.

(2) Comply with chapter 19.148 RCW.

(3) You must assess fees to a borrower's account within forty-five days of the date on which the fee was incurred. You must clearly and conspicuously explain the fee in a statement mailed to the borrower at the borrower's last known address no more than thirty days after assessing the fee.

(4)(a) You must accept and credit all amounts received within one business day of receipt when the borrower has made the payment to the address where instructed, provided that the borrower has provided sufficient information to credit the account. If you use the scheduled method of accounting, any regularly scheduled payment made prior to the scheduled due date must be credited no later than the due date.

(b) You may enter into a written contract with the borrower whereby you hold funds of a certain type or sent by a certain method for a period of time until the funds are available.

(5) You must notify the borrower if a payment is received but not credited. You must mail the notification to the borrower within ten business days by mail at the borrower's last known address. The notification must identify the reason the payment was not credited or treated as credited to the account, as well as any actions the borrower must take to make the residential mortgage loan current.

(6)(a) If you collect escrow amounts held for the borrower for payment of insurance, taxes, or other charges with respect to the property, you must collect and make all payments from the escrow account and ensure that no late penalties are assessed or other negative consequences result for the borrower.

(b) You may enter into a written agreement with the borrower whereby you are not required to make escrow payments unless funds are available in the escrow account. The agreement must include language that puts the borrower on notice that the borrower is responsible for the payment of the escrow amounts if a sufficient amount is not maintained in the escrow account. See also subsection (1)(c) of this section.

(c) You must notify the borrower within ten business days of any change to the escrow account other than the changes brought about by the borrower's regularly scheduled payment. Examples of changes requiring notification

include, but are not limited to, a reduction in the required cushion amount for the account, or a change in the property's tax assessment.

(7) You must make a reasonable attempt to comply with a borrower's request for information about the residential mortgage loan account and to respond to any dispute initiated by the borrower about the loan account. A reasonable attempt includes, but is not limited to:

(a) Maintaining written or electronic records of each written request for information regarding a dispute or error involving the borrower's account until the residential mortgage loan is paid in full, sold, or otherwise satisfied;

(b) Providing a written statement to the borrower within fifteen business days of receipt of a written request from the borrower. The borrower's request must include the name and account number, if any, of the borrower, a statement that the account is or may be in error, and sufficient detail regarding the information sought by the borrower to permit the servicer to comply.

(8) You must provide at a minimum the following information to a borrower's request described in subsection (7) of this section:

(a) Whether the account is current or, if the account is not current, an explanation of the default and the date the account went into default;

(b) The current balance due on the residential mortgage loan, including the principal due, the amount of funds, if any, held in a suspense account, the amount of the escrow balance known to the servicer, if any, and whether there are any escrow deficiencies or shortages known to the servicer;

(c) The identity, address, and other relevant information about the current holder, owner, or assignee of the residential mortgage loan; and

(d) The telephone number and mailing address of a servicer representative with the information and authority to answer questions and resolve disputes.

(e) You may charge a fee for preparing and furnishing the statement described in this subsection not exceeding thirty dollars per statement.

(f) You must promptly correct any errors and refund any fees assessed to the borrower resulting from an error you made.

(9) In addition to the statement described in subsection (6) of this section, a borrower may request more detailed information from a servicer, and the servicer must provide the information within fifteen business days of receipt of a written request from the borrower. The request must include the name and account number, if any, of the borrower, a statement that the account is or may be in error, and provide sufficient detail to the servicer regarding information sought by the borrower. If requested by the borrower, this statement must also include:

(a) A copy of the original note, or if unavailable, an affidavit of lost note; and

(b) A statement that identifies and itemizes all fees and charges assessed under the loan transaction and provides a full payment history identifying in a clear and conspicuous manner all of the debits, credits, application of and disbursement of all payments received from or for the benefit of the borrower, and other activity on the residential mortgage loan

including escrow account activity and suspense account activity, if any.

(c) The period of the account history shall cover at a minimum the two-year period prior to the date of the receipt of the request for information. If the servicer has not serviced the residential mortgage loan for the entire two-year time period, the servicer must provide the information going back to the date on which the servicer began servicing the home loan and identify the previous servicer, if known. If the servicer claims that any delinquent or outstanding sums are owed on the home loan prior to the two-year period or the period during which the servicer has serviced the residential mortgage loan, the servicer must provide an account history beginning with the month that the servicer claims any outstanding sums are owed on the residential mortgage loan up to the date of the request for the information.

(d) You must provide one statement described in this subsection (8) to the borrower annually free of charge.

(10) If a borrower's property goes into foreclosure and the foreclosure sale occurs, you must notify the borrower within three business days of sale of the completion of the sale. You must mail the notification to the borrower's last known address provided to you. If the notification is returned to you because the address is deficient in some manner, you must post the notification of the foreclosure sale on the property itself within three days of the notification being returned to you.

**REPEALER**

The following sections of the Washington Administrative Code are repealed:

WAC 208-620-380	Are there any additional requirements for out-of-state licensees?
WAC 208-620-390	If I am offering loans by mail or internet to Washington residents, do I have to license those locations?

**WSR 10-16-140  
PROPOSED RULES  
DEPARTMENT OF  
LABOR AND INDUSTRIES**  
[Filed August 4, 2010, 8:44 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-127.

Title of Rule and Other Identifying Information: Chapter 296-17 WAC, Rates and rating system for Washington workers' compensation insurance and chapter 296-17B WAC, Retrospective rating for workers' compensation insurance. We propose repealing existing retrospective rating rules now located in chapter 296-17 WAC. We propose creating new chapter 296-17B WAC to contain future retrospective rating rules.

Repealing WAC 296-17-90401 Introduction, 296-17-90402 Definitions, 296-17-90404 Employer options, 296-17-90405 Individual retro—Enrollment, 296-17-90407 Reenrollment—Individual retro, 296-17-90409 New group—Requirements, 296-17-90410 New group—Agreement finalized, 296-17-90411 Existing group, 296-17-90413 Individual employer group member requirements—Initial enrollment, 296-17-90414 Individual employer group member requirements—Reenrollment, 296-17-90421 Sponsoring organization—Retro group business and industry selection, 296-17-90422 Retro group—Classification assignments, 296-17-90425 Additional groups, 296-17-90428 Disqualification of a retro group, 296-17-90431 Change of ownership, 296-17-90437 Faxed, e-mail and machine-copied agreements and applications, 296-17-90438 Application, agreements and other required documentation—Due dates, 296-17-90440 Cancellation of participation, 296-17-90445 Valuation of coverage period, 296-17-90446 Retrospective premium calculation, 296-17-90447 Adjustments to standard premiums after the last mandatory adjustment—Individual employer, 296-17-90453 Disputes, protests and appeals, 296-17-90484 Direct pay of medical bills—Prohibited, 296-17-90486 Impartial review of L&I decisions, 296-17-90490 Limitation of liability—Indemnification, 296-17-90492 Table I, 296-17-90493 Table II, 296-17-90494 Table III, 296-17-90495 Table IV, 296-17-90496 Table V, and 296-17-90497 Table VI; new WAC 296-17-901 Risk classification hazard group table, 296-17B-010 Introduction and overview, 296-17B-020 How to read these rules, 296-17B-030 The language we use in these rules, 296-17B-040 Which version of these rules applies to you?, 296-17B-100 Individual retrospective rating, 296-17B-200 Group retrospective rating—Overview, 296-17B-210 Qualifications for sponsoring organizations, 296-17B-220 Qualifications for new groups, 296-17B-230 Qualifications for existing groups, 296-17B-240 Enrolling a group, 296-17B-250 Employer qualifications for group membership, 296-17B-260 Homogeneity, 296-17B-270 Industry categories, 296-17B-280 Enrolling an employer in a group, 296-17B-300 Choosing loss limits, 296-17B-400 Adjustments, 296-17B-410 Calculating your retrospective rating premiums, 296-17B-420 Premium administration expense charge, 296-17B-430 Incurred loss and expense charge, 296-17B-440 Net insurance charge, 296-17B-500 Determining your standard premiums, 296-17B-510 Assigning claims to coverage periods, 296-17B-520 Determining your losses, 296-17B-530 Determining case incurred losses, 296-17B-540 Determining loss incurred for each claim, 296-17B-550 Determining your incurred losses, 296-17B-560 Determining your hazard group and size group, 296-17B-600 Performance adjustment—Overview, 296-17B-610 How we determine the performance adjustment factor, 296-17B-620 More about the performance adjustment factor, 296-17B-700 Protest and appeals, 296-17B-710 Account in good standing, 296-17B-720 Prohibited conduct, 296-17B-730 Probation, 296-17B-740 Refunds of standard premiums after final adjustment, 296-17B-750 Notification, 296-17B-760 Coverage periods, 296-17B-770 Common ownership, 296-17B-780 Due dates, 296-17B-810 Loss development factors, 296-17B-820 Discount factors, 296-17B-830 Expected loss ratio factors, 296-17B-840 Claim types, 296-17B-910 Hazard Group 1 tables,

296-17B-920 Hazard Group 2 tables, 296-17B-930 Hazard Group 3 tables, 296-17B-940 Hazard Group 4 tables, 296-17B-950 Hazard Group 5 tables, 296-17B-960 Hazard Group 6 tables, 296-17B-970 Hazard Group 7 tables, 296-17B-980 Hazard Group 8 tables, and 296-17B-990 Hazard Group 9 tables.

Hearing Location(s): On September 7, 2010, at 2:00 p.m., at the Department of Labor and Industries, Room S118, 7273 Linderson Way S.W., Tumwater, WA 98501; on September 8, 2010, at 10:00 a.m., at the Department of Labor and Industries, 2806 Gateway Drive, Tukwila, WA 98168; and on September 9, 2010, at 2:00 p.m., at the Holiday Inn Spokane Airport, 1616 South Windsor Drive, Spokane, WA 99224.

Date of Intended Adoption: September 21, 2010.

Submit Written Comments to: Diane Doherty, P.O. Box 44180, Olympia, WA 98504-4180, e-mail [Dohr235@lni.wa.gov](mailto:Dohr235@lni.wa.gov), fax (360) 902-4258, by September 10, 2010.

Assistance for Persons with Disabilities: Contact Diane Doherty at (350) [(360)] 902-4835 or office of information and assistance, TTY (360) 902-5797, by September 3, 2010.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The 2007 legislature directed L&I to hire one or more outside experts to review and recommend changes to the retrospective rating (retro) program. This rule making implements recommendations of the independent actuarial firm, Oliver Wyman.

Reasons Supporting Proposal: Updating retrospective rating plan tables and revising formulas will improve fairness in the distribution of refunds among the participants in the retro program, and will offer participants more choices in how they participate financially in the program. In addition, the complete chapter is being rewritten to improve the overall order and clarity.

Statutory Authority for Adoption: RCW 51.18.010(2), 51.04.020.

Statute Being Implemented: RCW 51.18.010, 51.04.020.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: This rule will not change the amount of the aggregate refund distributed among retro participants. It will change the way the refund is distributed among all participants in the program based on the choices they make, premium they pay and their losses or claims costs.

Name of Proponent: Department of labor and industries, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Diane Doherty, Tumwater, Washington, (360) 902-4835; and Enforcement: Robert Malooly, Tumwater, Washington, (360) 902-4209.

No small business economic impact statement has been prepared under chapter 19.85 RCW. RCW 19.85.025(3) does not apply to a rule described in RCW 34.05.310(4), and that subsection exempts rules that "set or adjust fees pursuant to legislative standards." These proposed rules clarify one part of the process for calculating retrospective rating premiums.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 exempts from its requirements rules "that set or adjust fees pursuant to legislative standards." These proposed rules clarify one part of the process for calculating retrospective rating premiums.

August 4, 2010  
 Judy Schurke  
 Director

NEW SECTION

**WAC 297-17-901 Risk classification hazard group table.** Effective October 29, 2010.

<b>Risk Classification</b>	<b>Hazard Group</b>
101	9
103	8
104	8
105	5
107	9
108	8
112	7
201	9
202	9
210	8
212	9
214	8
217	7
219	7
301	4
302	9
303	9
306	8
307	7
308	3
403	6
502	8
504	9
507	8
508	9
509	9
510	7
511	7
512	9
513	6
514	7
516	8
517	9
518	9
519	9
521	7

<b>Risk Classification</b>	<b>Hazard Group</b>
540	8
541	9
550	9
551	9
601	7
602	7
603	9
604	7
606	4
607	6
608	7
701	9
803	5
901	8
1002	8
1003	7
1004	6
1005	8
1007	7
1101	5
1102	8
1103	8
1104	3
1105	7
1106	5
1108	5
1109	6
1301	2
1303	3
1304	5
1305	4
1401	9
1404	3
1405	1
1407	4
1501	5
1507	5
1701	7
1702	9
1703	9
1704	7
1801	9
1802	5
2002	6
2004	4
2007	6
2008	6

<b>Risk Classification</b>	<b>Hazard Group</b>	<b>Risk Classification</b>	<b>Hazard Group</b>
2009	3	3602	4
2101	5	3603	4
2102	3	3604	7
2104	2	3605	5
2105	2	3701	5
2106	4	3702	3
2201	6	3708	5
2202	5	3802	3
2203	2	3808	7
2204	6	3901	1
2401	1	3902	4
2903	4	3903	6
2904	6	3905	1
2905	3	3906	4
2906	4	3909	3
2907	3	4002	7
2908	7	4101	5
2909	4	4103	2
3101	6	4107	6
3102	6	4108	3
3103	6	4109	6
3104	6	4201	6
3105	5	4301	4
3303	3	4302	4
3304	3	4304	6
3309	6	4305	5
3402	6	4401	6
3403	6	4402	2
3404	5	4404	5
3405	3	4501	1
3406	1	4502	5
3407	6	4504	1
3408	1	4601	5
3409	1	4802	7
3410	2	4803	2
3411	6	4804	2
3412	8	4805	2
3414	6	4806	5
3415	9	4808	6
3501	6	4809	3
3503	3	4810	3
3506	7	4811	3
3509	1	4812	2
3510	2	4813	3
3511	6	4900	9
3512	3	4901	6
3513	8	4902	3

<b>Risk Classification</b>	<b>Hazard Group</b>	<b>Risk Classification</b>	<b>Hazard Group</b>
4903	1	6206	3
4904	3	6207	6
4905	2	6208	2
4906	2	6209	3
4907	4	6301	8
4908	2	6303	5
4909	3	6304	1
4910	6	6305	1
4911	6	6306	4
5001	9	6308	2
5002	3	6309	3
5003	9	6402	1
5004	8	6403	1
5005	9	6404	3
5006	9	6405	5
5101	4	6406	1
5103	3	6407	3
5106	2	6408	4
5108	3	6409	6
5109	6	6410	3
5201	4	6501	1
5204	8	6502	4
5206	6	6503	5
5207	2	6504	1
5208	4	6505	1
5209	6	6506	2
5300	2	6509	2
5301	3	6510	8
5302	5	6511	3
5305	1	6512	6
5306	1	6601	4
5307	4	6602	5
5308	1	6603	4
6103	1	6604	1
6104	2	6605	1
6105	6	6607	4
6107	1	6608	9
6108	1	6620	1
6109	4	6704	2
6110	5	6705	2
6120	5	6706	6
6121	5	6707	1
6201	7	6708	8
6202	6	6709	2
6203	1	6801	3
6204	2	6802	2
6205	4	6803	9

Risk Classification	Hazard Group	Risk Classification	Hazard Group
6804	3	The following classes have no hazard group assigned to them	
6809	2		
6901	1	6614	
6902	9	6615	
6903	9	6616	
6904	1	6617	
6905	1	6618	
6906	1	7204	
6907	4	7205	
6908	4	<b>Reviser's note:</b> The section above was filed by the agency as WAC 297-17-901. However, the other rules for the department of labor and industries are found in Title 296 WAC. The section above appears to be WAC 296-17-901, but pursuant to the requirements of RCW 34.08.040, it is published in the same form as filed by the agency.	
6909	2		
7100	7		
7101	8		
7102	3		
7103	4	<b>REPEALER</b>	
7104	3	The following sections of the Washington Administrative Code are repealed:	
7105	3	WAC 296-17-90401	Introduction.
7106	3	WAC 296-17-90402	Definitions.
7107	2	WAC 296-17-90403	Employer options.
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### Chapter 296-17B WAC

#### RETROSPECTIVE RATING FOR WORKERS' COMPENSATION INSURANCE

##### NEW SECTION

**WAC 296-17B-010 Introduction and overview.** Retrospective rating (retro) is a voluntary financial incentive program offered by the department of labor and industries to encourage improvements in workplace safety.

Chapter 296-17 WAC defines the standard method for determining the price of workers' compensation insurance for employers insured with the state fund. All employers insured with the state fund must pay the accident fund, medical aid fund, and supplemental pension fund premiums established in that chapter.

Employers who participate in retrospective rating bind themselves to the rules of the retrospective rating program found in this chapter. Under these sections, a participant's ultimate cost of workers' compensation insurance will be different than under chapter 296-17 WAC.

Employers participate in retrospective rating because it creates an opportunity to earn refunds of premiums they are required to pay under chapter 296-17 WAC. However, participation involves risk: Participants not successful in controlling losses can be assessed additional premiums.

Employers control losses by preventing workplace illnesses and injuries, and helping injured workers return to work.

Employers that participate in retro can enroll either individually or as members of a sponsored group. Enrollment is for a one-year coverage period, but it is possible for employers to join a sponsored group after the group's one-year coverage period has begun, at the beginning of a calendar quarter.

After a coverage period is over, the department evaluates premiums and claims losses and determines retro premiums according to these rules. If a retro group's or an individually enrolled employer's retro premiums are less than the standard premiums paid initially, that firm or group will receive a refund. If the retro premiums are more than the standard premiums initially paid, the firm or group will be assessed the additional amount. Calculation of retrospective premiums is defined further in this chapter. The department goes through this annual adjustment process three times for each coverage period.

##### NEW SECTION

**WAC 296-17B-020 How to read these rules.** We have written these rules so that employers and group sponsors can understand how the retrospective rating program works, both generally and in detail. These rules are meant to be read together. Often, we will make simple statements in one section, followed in another section by more detailed explanations. We hope that the simple statements are helpful, but if there appears to be a conflict between the simple statements and the detailed explanations that follow, it is the detailed explanation that tells you what we do and how we do it.

##### NEW SECTION

**WAC 296-17B-030 The language we use in these rules.** In these rules, when we say "we," we mean the retrospective rating program at the department of labor and industries. When we say "you," we mean either an individually enrolled employer or a sponsored group.

Except when the context specifically indicates, "you" does not mean an individual employer enrolled in a sponsored group.

We have tried to write these rules using plain language. When we use a word or phrase that means other than what it might ordinarily mean, an explanation of the word or phrase can be found in these rules.

##### NEW SECTION

**WAC 296-17B-040 Which version of these rules applies to you?** If you participate in retrospective rating, either as an enrolled employer or a group sponsor, the rules in effect on the first day of a coverage period are the rules that will apply to you for that coverage period, even if some of these rules are changed later.

NEW SECTION**WAC 296-17B-100 Individual retrospective rating.**

(1) We will enroll a qualified employer who applies for enrollment for individual retrospective rating. To qualify, an employer must:

(a) Have an industrial insurance account in good standing;

(b) Have paid standard premiums at least equivalent to the minimum premium listed in size group 1, Table 1, WAC 296-17B-900, in the four calendar quarters prior to applying for enrollment; and

(c) Apply for enrollment no later than the fifteenth day of the month before the calendar quarter in which the coverage period begins. The application must indicate the employer's choices regarding loss limits and whether its net insurance change will be calculated using standard premiums or incurred losses as explained in these rules. The application must be signed by an owner, partner, corporate officer or managing member of the employer's business.

(2) To reenroll, a currently enrolled employer must submit a new enrollment application no later than the fifteenth day of the month before the calendar quarter in which the new coverage period will begin.

(3) Employers enrolled individually are responsible for retrospective rating premiums for the coverage period enrolled.

NEW SECTION**WAC 296-17B-200 Group retrospective rating—**

**Overview.** In group retrospective rating, participating employers become members of an enrolled group sponsored by an approved organization. Employers continue to pay premiums directly to the department as determined by chapter 296-17 WAC. We calculate the group's retrospective rating premiums as though the standard premiums paid by members of the group were paid by the sponsor, and claims assigned to employer members were assigned to the group sponsor. Group sponsors are responsible for the retrospective rating premiums for the coverage period enrolled. If an adjustment results in us refunding premiums, the refund is the property of the group sponsor. If an adjustment results in us assessing additional premiums, the additional premiums are the responsibility of the group sponsor. With limited exceptions explained in these rules, the department is not involved in the private contractual relationship between group sponsor and group member.

NEW SECTION**WAC 296-17B-210 Qualifications for sponsoring organizations.**

We will approve an organization that applies for group sponsorship if the organization:

(1) Has been in existence for at least four years;

(2) Is an organization with dues paying members; and

(3) Exists primarily for some purpose other than that of obtaining or offering insurance coverage or insurance related services.

NEW SECTION**WAC 296-17B-220 Qualifications for new groups.**

We will enroll a new retrospective rating group only if:

(1) We approve the organization sponsoring the group;

(2) The members of the group qualify for group membership;

(3) The sponsor demonstrates an acceptable workplace safety and accident prevention plan for the group;

(4) The sponsor demonstrates an acceptable plan for cooperating with the department's claims management activities;

(5) At least half of the proposed members have been dues paying members of the sponsoring organization for at least one year;

(6) The standard premiums for the group members for the four quarters prior to enrollment total at least one million five hundred thousand dollars; and

(7) Enrolling the group will substantially improve workplace safety and accident prevention for its members.

NEW SECTION**WAC 296-17B-230 Qualifications for existing groups.**

The department will reenroll an existing group if the sponsor asks for it to be reenrolled, and the group still meets the requirements of WAC 296-17B-220 (1) through (4) and (7).

NEW SECTION**WAC 296-17B-240 Enrolling a group.**

An organization seeking to sponsor a group must notify us in writing of its intention to sponsor a group, select the industry category, and indicate its loss limit choices for the group no later than two months before the beginning of the coverage period. Organizations that have not previously been approved must at that time establish that the organization qualifies for group sponsorship. Evidence of qualification may include bylaws or articles of incorporation filed with the secretary of state.

We will not enroll a new group if the sponsoring organization also sponsors another group in a different industry category that has not yet received its final adjustment for its second coverage period.

NEW SECTION**WAC 296-17B-250 Employer qualifications for group membership.**

An employer qualifies for membership in a group if the employer:

(1) Has an industrial insurance account in good standing;

(2) Is a dues paying member of the organization sponsoring the group;

(3) Is not enrolled in retrospective rating either as a member of a group or individually for the coverage period; and

(4) The employer satisfies the homogeneity requirement of WAC 296-17B-260.

NEW SECTION

**WAC 296-17B-260 Homogeneity.** An employer may enroll in a group only if:

(1) We determine that the risk classes appropriately assigned to the employer are related to the industry category selected by the sponsoring organization for the group;

(2) The employer shares common ownership with an employer enrolled in the group that satisfies the requirements of subsection (1) of this section; or

(3) The employer has been a member of the group since prior to July 25, 1999.

In evaluating whether an employer's risk classes are related to the industry category, we will consider only those risk classes that define the nature of the employer's business operations insured with the state fund.

NEW SECTION

**WAC 296-17B-270 Industry categories.** The following is the list of industry categories from which a sponsor must select for a group:

(1) Agriculture and related services, including services related to the care and breeding of animals, and all agricultural related activities including growing, harvesting, packing, and processing for shipment.

(2) Automotive, truck and boat, manufacturing, sales, repair and related services.

(3) Construction and related services.

(4) Distillation, chemicals, food and related services.

(5) Entertainment, hospitality and related services.

(6) Facilities, property management, maintenance and related services.

(7) Government, utilities, schools, health care and related services.

(8) Grocery stores, grocery distribution centers, bakeries, milk and dairy products processing, delivery to customers and related services.

(9) Health care, pharmaceutical, laboratories and related services.

(10) Logging and wood products manufacturing and related services.

(11) Manufacturing, processing, mining, quarrying, and related services.

(12) Retail and wholesale stores and professional services such as banks and law firms and related services.

(13) Temporary help and related services.

(14) Transportation, recycle, warehousing, facility maintenance and related services.

NEW SECTION

**WAC 296-17B-280 Enrolling an employer in a group.** We will enroll a qualified employer in an enrolled group if the employer applies for enrollment and the sponsoring organization endorses the application. The application must be signed by an owner, corporate officer, partner or managing member of the employer's business, and may not be assigned or transferred to anyone else.

By endorsing an application, the sponsor is certifying that the employer is a dues paying member of the sponsoring

organization. We must receive the endorsed application no later than the fifteenth day of the month before the calendar quarter the employer wishes to be enrolled for.

New applications do not need to be submitted by each member annually. As long as the employer maintains their account in good standing, we will automatically reenroll all participants in the group on an annual basis unless notified in writing by the employer or the group that the employer should be removed. This notification must be received by the last day of the prior coverage period.

NEW SECTION

**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;
- \$250,000;
- \$500,000;
- \$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 fifty thousand dollars if your standard premiums in the four most recent calendar quarters were at least five hundred thousand dollars.

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

(c) The three limits must be chosen so that the highest possible retrospective premiums cannot be more than twice the standard premiums, assuming a performance adjustment factor of 1.0 and the same size and hazard groups as your most recent coverage period.

(d) You can choose any maximum loss ratio between thirty 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.

NEW SECTION

**WAC 296-17B-400 Adjustments.** (1) We will calculate your retrospective rating premiums three times for a coverage period.

(2) We will pick a date approximately nine months after the coverage period ends, determine your standard premiums

and losses as of that date, and then calculate your retrospective rating premiums. If the standard premiums you have paid are higher than your retrospective rating premiums, we will refund you the difference. If the standard premiums you have paid are lower than your retrospective rating premiums, we will send you a notice and order of assessment directing you to pay us the difference.

(3) We will repeat this process of determining standard premiums and losses and calculating retro premiums approximately twenty-one and thirty-three months after the coverage period ended, netting the retro premiums against the retro premiums paid previously.

(4) For participants having multiple coverage periods being adjusted at the same time, we will add the adjustments together and either pay you the net amount due you or send you a notice and order of assessment directing you to pay the net difference.

(5) If we send you a notice of assessment you will have thirty days to pay us. We will charge you late penalties and interest pursuant to RCW 51.48.210 on retrospective rating premium assessments you do not pay within thirty days.

If you are enrolled individually and owe any section of the department money, we may withhold from your refund an amount equal to the debt.

#### NEW SECTION

**WAC 296-17B-410 Calculating your retrospective rating premiums.** Your retrospective rating premiums will be evaluated at the time of each annual retrospective adjustment, and will be the sum of three charges:

- Premium administration expense charge;
- Incurred loss and expense charge;
- Net insurance charge.

#### NEW SECTION

**WAC 296-17B-420 Premium administration expense charge.** You will pay a premium administration expense charge for your share of the expenses of the industrial insurance program that are not directly related to claims administration. To determine your premium administration expense charge, our actuaries will multiply your standard premiums by the premium administration expense factor, which is four and eight-tenths percent. This charge is not performance adjusted.

The premium administration expense factor was determined using premium and expense data from fiscal years 2007 through 2009.

#### NEW SECTION

**WAC 296-17B-430 Incurred loss and expense charge.** You will pay for the cost of your claims and their administration for those injuries and illnesses occurring during your retrospective rating enrollment period. You can protect yourself from high claims costs at the claim level with the single loss occurrence limit you select. You can protect yourself from high claims costs at the aggregate claims level with the maximum loss ratio you select.

Our actuaries will determine your incurred loss and expense charge by multiplying your losses incurred by the performance adjustment factor and one hundred seven percent, which is one plus the claims administration expense factor, currently seven percent.

Data from fiscal years 2000 through 2009 was used to determine the claims administration expense factor.

#### NEW SECTION

**WAC 296-17B-440 Net insurance charge.** You will pay a net insurance charge for the protection provided by your single loss occurrence limit and your maximum loss ratio.

Your net insurance charge can be calculated as a percentage of either your standard premiums or your incurred loss and expense charge.

(1) If you choose to have your net insurance charge calculated using your standard premiums, your net insurance charge will be calculated using the following formula:

$(\text{Premium insurance charge factor} - \text{Premium insurance savings factor}) \times (\text{Standard premiums}) \times (\text{Performance adjustment factor})$

Your premium insurance charge factor and premium insurance savings factor will depend on your maximum and minimum loss ratio choice, size group and hazard group, and can be found in WAC 296-17B-910 through 296-17B-990. If you choose a maximum and/or minimum loss ratio between the options found in one of the tables, the department will interpolate to obtain the charge and/or savings factors from the factors found in the tables.

(2) If you choose to have your net insurance charge calculated using your losses incurred, your net insurance charge will be calculated using the following formula:

$(\text{Loss insurance charge factor} - \text{Loss insurance savings factor}) / [1.0 - (\text{Loss insurance charge factor} - \text{Loss insurance savings factor})] \times \text{Incurred loss and expense charge}$

Your loss insurance charge factor and loss insurance savings factor will depend on your maximum and minimum loss ratio choice, size group and hazard group, and can be found in WAC 296-17B-910 through 296-17B-990. If you choose a maximum and/or minimum loss ratio between the options found in one of the tables, the department will interpolate to obtain the charge and/or savings factors from the factors found in the tables.

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

#### NEW SECTION

**WAC 296-17B-500 Determining your standard premiums.** Employers are required to pay accident fund, medical aid, and supplemental pension fund premiums according to chapter 296-17 WAC. Partial payments of premiums are applied first to the liability to the supplemental pension fund, then to the medical aid fund, and finally then to the accident fund. Standard premiums are the premiums an employer

pays to the accident and medical aid funds under chapter 296-17 WAC for employment during the coverage period.

For an employer enrolled in a group after the start of a group's coverage period, we will only consider the employer's premiums for the calendar quarters for which the employer was enrolled.

NEW SECTION

**WAC 296-17B-510 Assigning claims to coverage periods.** We will include your industrial injury claims with a date of injury that falls within the coverage period.

We will include occupational disease claims with a date of last injurious exposure with you (prior to the filing of the claim) that falls within the coverage period.

For an employer enrolled in a group after the start of a group's coverage period, we will only consider the employer's claims related to the calendar quarters for which the employer was enrolled.

NEW SECTION

**WAC 296-17B-520 Determining your losses.** We determine your losses at the time of an adjustment.

To determine your losses, we first determine the case incurred losses for your claims. To these, we apply loss development, discount and expected loss ratio factors and your single loss occurrence limit to determine your losses incurred for each claim, as explained in these rules. The sum of your losses incurred will be your loss incurred, unless your maximum or minimum loss ratios apply.

NEW SECTION

**WAC 296-17B-530 Determining case incurred losses.** If a claim is closed, we will use the actual losses for the claim as defined in WAC 296-17-870(1). If the claim is open, we will use either the case reserve amounts or the actual losses, whichever are higher.

Where not in conflict with these rules, we will use the rules for valuing claims for experience rating found in WAC 296-17-870 (1), (5) through (7), and (10) through (12).

NEW SECTION

**WAC 296-17B-540 Determining loss incurred for each claim.** (1) Calculating the preliminary loss incurred:

For each of your claims, we will multiply the case incurred loss by the appropriate loss development, discount, and expected loss ratio factors to determine the preliminary loss incurred.

If you have a fatality, we will use two hundred eighty thousand four hundred dollars as the claim's preliminary incurred loss for the claim, regardless of the case incurred loss, and before recovery factors if applicable.

(2) Applying the single loss occurrence limit:

The preliminary loss incurred for a claim will be the amount we use as the loss incurred unless the single loss occurrence limit applies.

The single loss occurrence limit applies when the sum of all preliminary losses incurred for your claims arising out of

a single event is greater than your selected single loss occurrence limit. In that case, each claim's loss incurred will be its proportionate share of your single loss occurrence limit.

NEW SECTION

**WAC 296-17B-550 Determining your incurred losses.** If the sum of the losses incurred for your claims divided by your standard premiums and multiplied by the performance adjustment factor is greater than the maximum loss ratio you selected, your incurred losses will be reduced accordingly. If it is less than the minimum loss ratio you selected, your incurred losses will be increased accordingly.

NEW SECTION

**WAC 296-17B-560 Determining your hazard group and size group.** (1) Each risk classification is assigned to a hazard group, as shown in WAC 296-17-901. To determine your hazard group, we will first multiply your standard premiums in each risk class by the hazard group index for that risk class. This is called the adjusted standard premium. Hazard group indices are shown in subsection (3) of this section. We will then divide the total adjusted standard premiums by your total standard premiums, rounded to three decimal places to determine your average hazard index. We will assign you to a hazard group based on your average hazard index using the table in subsection (4) of this section.

(2) We will determine your size group based on your standard premiums and hazard group, using the table in WAC 296-17B-900.

(3) Hazard group index table.

Hazard Group Number	Hazard Index Number
1	0.22
2	0.26
3	0.37
4	0.51
5	0.75
6	1.00
7	1.22
8	1.76
9	2.78

(4) Average hazard index table.

Hazard Group Number	Average Hazard Index Value is at Least:	But Less Than or Equal to:
1	0.000	0.239
2	0.240	0.314
3	0.315	0.439
4	0.440	0.629
5	0.630	0.874
6	0.875	1.109
7	1.110	1.489
8	1.490	2.269

Hazard Group Number	Average Hazard Index Value is at Least:	But Less Than or Equal to:
9	2.270	2.780

Example:

- For your retrospective enrollment year, your group has hours reported in risk classifications with Hazard Groups 4 and 6 and corresponding standard premiums of \$1,000,000 and \$2,000,000 during the enrollment year.

Risk Classification Hazard Group	Standard Premium	Hazard Index Number	Adjusted Standard Premium
4	\$1,000,000	0.510	\$510,000
6	\$2,000,000	1.000	\$2,000,000
Total	\$3,000,000		\$2,510,000

- The Average Hazard Index value for your group is the total adjusted standard premiums divided by the total standard premiums or  $\$2,510,000/\$3,000,000 = 0.837$  to three decimal places. This value 0.837 is in the range between 0.630 and 0.874.

- Therefore, your group will be assigned Hazard Group Number 5 during this annual adjustment.

NEW SECTION

**WAC 296-17B-600 Performance adjustment—Overview.** The department uses performance adjustment to ensure equity between employers that participate in retrospective rating and employers that do not. The goal of performance adjustment is to make sure that overall, after adjustments, retro participants pay the same share of their losses as employers that do not participate in retro.

NEW SECTION

**WAC 296-17B-610 How we determine the performance adjustment factor.** Our actuaries compare standard premiums and losses of employers in retro with those of employers not in retro to determine a target refund amount that would result in the groups of retro and nonretro employers funding the same percentage of their claim costs. In doing this, the actuaries pool the experience of the coverage period being adjusted with the experience from the coverage periods beginning the three previous quarters, and take into account possible future changes in losses based on historical data. The actuaries then add interest to the target amount to take into consideration the time value of money.

A performance adjustment factor (rounded to four decimal places) is then selected, so that when we calculate adjustments, the sum of all adjustments will most nearly equal the target refund amount.

NEW SECTION

**WAC 296-17B-620 More about the performance adjustment factor.** There is no particular significance to the performance adjustment factor being less than, greater than,

or equal to 1.0000. The performance adjustment factor is influenced by many things, including overall premium rates, large losses by either retro or nonretro employers, and what options retro participants select when enrolling.

A new performance adjustment factor is calculated for each annual retrospective rating annual adjustment so that loss ratios of retro and nonretro employers are equal after refunds and additional premium assessments have been paid.

NEW SECTION

**WAC 296-17B-700 Protest and appeals.** If at the time of an adjustment you are disputing a decision affecting a claim's losses and you want us to recalculate your adjustment after that dispute has been resolved, you must protest the adjustment and identify the claim and dispute pending. We will issue a further order indicating that the adjustment may be revised after the dispute regarding the claim is resolved. After the dispute has been resolved, if you still want us to recalculate the adjustment, you must notify us, and we will recalculate your adjustment as though the dispute had been resolved at the time of the adjustment. We will not pay interest on any amount refunded.

NEW SECTION

**WAC 296-17B-710 Account in good standing.** To participate in retrospective rating, you as an employer or group sponsor need to have an account in good standing. This means that you need to have an open industrial insurance account with our industrial insurance program, have filed all required reports, and have paid all industrial insurance premiums, penalties and interest (or be current with a repayment plan the department agreed to), and not owe a debt to any other section of the department.

NEW SECTION

**WAC 296-17B-720 Prohibited conduct.** (1) Employers and group sponsors must not engage in claims suppression as defined in RCW 51.28.010(4).

(2) Employers and group sponsors must not pay medical service providers for medical services related to an industrial injury or occupational disease.

(3) Unless disclosed to the member at the time of enrollment, group sponsors must not require members to pay dues, fees, or continue membership in the retrospective rating program beyond the last date of the coverage year in order to receive their share of refunds, if any.

If we determine that you have violated any of these provisions, we will remove you from retrospective rating effective the date we notify you, and permanently bar you from further participation in the retrospective rating program. You will remain liable for any additional premium assessments related to your participation prior to your removal, but you will forfeit any right to refunds for adjustments calculated after your removal.

NEW SECTION

**WAC 296-17B-730 Probation.** If you as a sponsored group receive a net assessment for two consecutive coverage periods, you will be placed on probationary status. We will review your workplace safety and accident prevention plan and your methods of cooperation with the department's claims management activities, and contact you to discuss ways of improving your performance. If you receive a net assessment in the following coverage period, you will be denied future enrollment, and your sponsoring organization will not be allowed to sponsor another group in the same industry category for the five years following the third coverage period with a net assessment.

NEW SECTION

**WAC 296-17B-740 Refunds of standard premiums after final adjustment.** If, after the final adjustment for a coverage period, it is determined that an employer enrolled in retrospective rating is entitled to a refund of standard premiums for any reason other than the recalculation of experience provided for in WAC 296-17-870(3), we will adjust the amount of standard premiums to be refunded such that the net impact on the state fund is the same as if refund had taken place before the final adjustment.

NEW SECTION

**WAC 296-17B-750 Notification.** We will notify you if we need more information to make a decision about your application. We will also notify you of our decision to enroll or deny enrollment.

NEW SECTION

**WAC 296-17B-760 Coverage periods.** Individual employers and sponsored groups enroll for one-year coverage periods. Coverage periods begin on the first day of a calendar quarter. Employers may join a sponsored group after its coverage period has begun, beginning on the first day of the next calendar quarter and continuing for the remainder of the coverage period.

NEW SECTION

**WAC 296-17B-770 Common ownership.** An employer that shares common ownership with one or more other employers cannot enroll in retrospective rating unless all employers sharing common ownership that are within the same industry category also enroll. Employers sharing common ownership can enroll individually or as members of a sponsored group. Employers sharing common ownership that are enrolled individually can choose to be rated separately or together.

Employers share common ownership when:

- (1) One or more owners, directly or indirectly, own a majority interest in both employers; or
- (2) One employer, directly or indirectly, owns a majority interest in another employer.

NEW SECTION

**WAC 296-17B-780 Due dates.** When you are required to submit a document (application, report, etc.) it must be received in the Tumwater labor and industries office by 5:00 p.m. on the date due. Documents may be mailed, faxed, or hand delivered. If the due date falls on a Saturday, Sunday, or holiday, it is due the next state business day.

NEW SECTION

**WAC 296-17B-810 Loss development factors.** At the time of adjustment, our actuaries determine loss development factors by claim type. Loss development factors account for the fact that claims ultimately cost the state fund more than they have cost the state fund to date, and more than they are estimated to cost the state fund at any particular point in time.

Separate factors will be calculated by fund and also by enrollment period at the time of each annual retrospective rating adjustment.

NEW SECTION

**WAC 296-17B-820 Discount factors.** At the time of adjustment, we determine discount factors by claim type. Discount factors account for the fact that benefits are not paid all at once, but rather are paid over a period of time. Discount factors vary for different types of claims based on when benefits tend to be paid.

NEW SECTION

**WAC 296-17B-830 Expected loss ratio factors.** The expected loss ratio factor is a factor applied to case incurred loss amounts of claims and loss development factor and discount factor so that the ratio of discounted developed loss to standard premiums for the entire state fund used in the actuarial calculations equals the expected loss ratios. By doing this, loss ratios will not be expected to change simply because the department changed the rates for one fund significantly more than the rates for another fund. The expected loss ratios are:

Accident Fund	81.2%
Medical Aid Fund	88.0%

Separate factors will be calculated by fund and also by enrollment period at the time of each annual retrospective rating adjustment.

NEW SECTION

**WAC 296-17B-840 Claim types.** The following claim types are considered when calculating the loss development factors and discount factors:

- (1) Fatality;
- (2) Total permanent disability pension claim;
- (3) Permanent partial disability claim;
- (4) Time-loss claim;
- (5) Miscellaneous accident fund claim;
- (6) Medical only claim.

## NEW SECTION

## WAC 296-17B-910 Hazard Group 1 tables.

**Premium-Based Plan, with no Single Loss Limit  
Insurance Charge Table  
Hazard Group 1  
Effective October 29, 2010**

Size	Maximum Loss Ratio													
	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8457	.8239	.8050	.7881	.7727	.7586	.7455	.7332	.7217	.7107	.7003	.6903	.6808	.6716
2	.8398	.8169	.7970	.7792	.7631	.7482	.7344	.7214	.7092	.6977	.6867	.6762	.6661	.6565
3	.8342	.8101	.7892	.7705	.7536	.7380	.7234	.7098	.6970	.6849	.6733	.6623	.6518	.6416
4	.8286	.8035	.7815	.7619	.7441	.7278	.7125	.6983	.6848	.6721	.6600	.6484	.6374	.6267
5	.8232	.7969	.7740	.7535	.7349	.7177	.7018	.6869	.6728	.6595	.6468	.6347	.6231	.6120
6	.8179	.7905	.7665	.7451	.7257	.7078	.6911	.6755	.6609	.6469	.6337	.6211	.6090	.5975
7	.8127	.7842	.7592	.7369	.7167	.6980	.6806	.6644	.6490	.6346	.6208	.6076	.5951	.5831
8	.8077	.7780	.7520	.7288	.7077	.6883	.6702	.6533	.6373	.6223	.6080	.5943	.5813	.5688
9	.8028	.7719	.7450	.7208	.6989	.6787	.6599	.6423	.6257	.6101	.5953	.5811	.5676	.5547
10	.7979	.7659	.7380	.7129	.6901	.6691	.6496	.6314	.6142	.5980	.5827	.5680	.5541	.5407
11	.7932	.7600	.7310	.7051	.6815	.6597	.6395	.6206	.6028	.5861	.5702	.5551	.5407	.5269
12	.7885	.7542	.7242	.6973	.6729	.6503	.6294	.6099	.5915	.5742	.5578	.5422	.5274	.5133
13	.7839	.7485	.7174	.6896	.6643	.6410	.6194	.5992	.5803	.5624	.5455	.5295	.5143	.4997
14	.7794	.7428	.7107	.6820	.6558	.6318	.6094	.5886	.5691	.5507	.5333	.5169	.5012	.4863
15	.7750	.7372	.7041	.6744	.6474	.6226	.5995	.5781	.5580	.5391	.5212	.5043	.4883	.4731
16	.7706	.7317	.6975	.6669	.6390	.6134	.5897	.5676	.5470	.5276	.5093	.4920	.4756	.4600
17	.7663	.7262	.6910	.6594	.6307	.6043	.5799	.5573	.5360	.5161	.4974	.4797	.4629	.4471
18	.7620	.7207	.6845	.6519	.6224	.5953	.5702	.5469	.5252	.5048	.4856	.4675	.4504	.4343
19	.7578	.7153	.6780	.6445	.6142	.5863	.5605	.5366	.5144	.4935	.4739	.4554	.4380	.4216
20	.7537	.7100	.6716	.6372	.6060	.5773	.5509	.5264	.5036	.4823	.4623	.4435	.4258	.4091
21	.7496	.7047	.6652	.6299	.5978	.5684	.5413	.5163	.4929	.4712	.4508	.4317	.4136	.3967
22	.7455	.6994	.6589	.6226	.5896	.5595	.5318	.5062	.4823	.4601	.4394	.4199	.4016	.3844
23	.7415	.6942	.6526	.6153	.5815	.5507	.5223	.4961	.4718	.4492	.4280	.4083	.3897	.3723
24	.7376	.6891	.6463	.6081	.5735	.5419	.5129	.4861	.4613	.4383	.4168	.3967	.3779	.3603
25	.7337	.6839	.6401	.6009	.5654	.5331	.5035	.4762	.4509	.4274	.4056	.3853	.3662	.3484
26	.7298	.6788	.6339	.5937	.5574	.5244	.4941	.4662	.4405	.4167	.3945	.3739	.3546	.3366
27	.7260	.6738	.6277	.5866	.5494	.5157	.4848	.4564	.4302	.4060	.3836	.3627	.3432	.3250
28	.7222	.6687	.6216	.5795	.5415	.5070	.4755	.4466	.4200	.3954	.3726	.3515	.3318	.3134
29	.7185	.6638	.6155	.5724	.5336	.4984	.4662	.4368	.4098	.3848	.3618	.3404	.3205	.3019
30	.7149	.6588	.6095	.5654	.5257	.4897	.4570	.4271	.3996	.3743	.3510	.3293	.3093	.2905
31	.7112	.6540	.6034	.5584	.5179	.4812	.4479	.4174	.3896	.3639	.3403	.3184	.2981	.2793
32	.7077	.6491	.5975	.5514	.5100	.4727	.4387	.4078	.3795	.3535	.3296	.3075	.2871	.2680
33	.7042	.6443	.5915	.5445	.5023	.4642	.4297	.3982	.3695	.3432	.3190	.2967	.2761	.2569
34	.7007	.6396	.5856	.5376	.4945	.4557	.4206	.3887	.3595	.3329	.3084	.2859	.2651	.2458
35	.6973	.6349	.5797	.5307	.4868	.4472	.4115	.3791	.3496	.3226	.2979	.2752	.2542	.2349
36	.6940	.6302	.5739	.5238	.4790	.4388	.4025	.3696	.3396	.3123	.2873	.2644	.2433	.2240
37	.6907	.6256	.5681	.5170	.4714	.4304	.3935	.3601	.3297	.3021	.2769	.2538	.2326	.2132
38	.6874	.6210	.5624	.5102	.4637	.4220	.3845	.3506	.3198	.2919	.2664	.2432	.2220	.2026
39	.6843	.6165	.5567	.5035	.4561	.4137	.3755	.3411	.3100	.2817	.2561	.2327	.2115	.1922
40	.6812	.6121	.5511	.4969	.4486	.4054	.3666	.3317	.3002	.2717	.2458	.2224	.2012	.1820
41	.6782	.6078	.5456	.4903	.4411	.3972	.3578	.3224	.2905	.2617	.2358	.2123	.1911	.1720
42	.6754	.6036	.5402	.4839	.4338	.3891	.3491	.3132	.2810	.2520	.2259	.2024	.1813	.1624
43	.6726	.5995	.5349	.4775	.4265	.3811	.3405	.3041	.2715	.2423	.2162	.1928	.1718	.1530
44	.6699	.5956	.5297	.4713	.4194	.3731	.3319	.2951	.2622	.2329	.2067	.1833	.1625	.1439
45	.6673	.5917	.5246	.4651	.4123	.3653	.3235	.2862	.2531	.2236	.1974	.1741	.1535	.1351
46	.6648	.5879	.5196	.4590	.4053	.3575	.3151	.2775	.2441	.2145	.1883	.1652	.1447	.1267
47	.6624	.5842	.5147	.4531	.3984	.3499	.3069	.2689	.2352	.2056	.1794	.1564	.1362	.1185
48	.6601	.5806	.5099	.4472	.3915	.3423	.2987	.2603	.2265	.1968	.1707	.1479	.1280	.1106

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
49	.6579	.5772	.5052	.4413	.3848	.3348	.2907	.2519	.2179	.1882	.1623	.1397	.1200	.1030
50	.6558	.5738	.5006	.4356	.3781	.3273	.2827	.2436	.2095	.1798	.1540	.1316	.1123	.0957
51	.6537	.5705	.4961	.4300	.3715	.3200	.2749	.2355	.2012	.1715	.1459	.1238	.1049	.0887
52	.6518	.5673	.4917	.4244	.3649	.3127	.2671	.2274	.1931	.1634	.1380	.1163	.0977	.0819
53	.6500	.5643	.4873	.4189	.3585	.3055	.2594	.2195	.1850	.1555	.1303	.1089	.0908	.0755
54	.6482	.5613	.4831	.4135	.3521	.2985	.2519	.2117	.1772	.1478	.1229	.1018	.0841	.0693
55	.6466	.5584	.4790	.4082	.3459	.2915	.2444	.2040	.1695	.1402	.1156	.0950	.0777	.0634
56	.6450	.5556	.4749	.4030	.3397	.2846	.2370	.1964	.1619	.1329	.1085	.0883	.0716	.0578
57	.6435	.5530	.4710	.3979	.3336	.2778	.2298	.1889	.1545	.1257	.1017	.0819	.0657	.0525
58	.6421	.5504	.4672	.3929	.3276	.2711	.2226	.1816	.1472	.1186	.0951	.0758	.0601	.0475
59	.6408	.5480	.4635	.3880	.3218	.2645	.2156	.1744	.1401	.1118	.0887	.0699	.0548	.0428
60	.6396	.5456	.4599	.3832	.3160	.2580	.2087	.1674	.1332	.1052	.0825	.0643	.0498	.0383
61	.6385	.5434	.4564	.3786	.3103	.2516	.2019	.1605	.1264	.0987	.0765	.0589	.0450	.0342
62	.6374	.5413	.4531	.3741	.3048	.2453	.1952	.1537	.1198	.0925	.0708	.0538	.0405	.0303
63	.6365	.5394	.4499	.3697	.2994	.2392	.1887	.1471	.1134	.0865	.0654	.0489	.0363	.0268
64	.6357	.5375	.4469	.3654	.2941	.2332	.1823	.1406	.1071	.0807	.0601	.0444	.0324	.0235
65	.6349	.5358	.4440	.3613	.2890	.2273	.1760	.1343	.1011	.0751	.0552	.0401	.0288	.0205
66	.6342	.5342	.4413	.3574	.2839	.2215	.1699	.1282	.0953	.0698	.0505	.0361	.0255	.0178
67	.6336	.5328	.4387	.3536	.2791	.2159	.1639	.1222	.0897	.0647	.0461	.0324	.0225	.0154
68	.6331	.5315	.4362	.3499	.2744	.2105	.1581	.1165	.0843	.0599	.0419	.0289	.0197	.0132
69	.6326	.5302	.4339	.3464	.2698	.2051	.1524	.1109	.0791	.0553	.0380	.0258	.0172	.0113
70	.6322	.5292	.4318	.3430	.2653	.1999	.1470	.1055	.0741	.0510	.0344	.0229	.0149	.0096
71	.6319	.5282	.4297	.3398	.2609	.1948	.1415	.1002	.0693	.0468	.0310	.0202	.0129	.0081
72	.6316	.5273	.4279	.3368	.2569	.1900	.1365	.0953	.0649	.0431	.0280	.0179	.0112	.0069
73	.6314	.5266	.4263	.3341	.2531	.1856	.1318	.0908	.0609	.0398	.0254	.0158	.0097	.0058
74	.6313	.5262	.4253	.3324	.2508	.1828	.1288	.0880	.0584	.0377	.0238	.0146	.0088	.0052

Premium-Based Plan, with no Single Loss Limit

Insurance Savings Table  
Hazard Group 1  
Effective October 29, 2010

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0284	.0603	.0956	.1337	.2147	.2999	.3880	.4781	
2	.0000	.0266	.0573	.0919	.1292	.2088	.2929	.3800	.4692	
3	.0000	.0249	.0545	.0883	.1248	.2032	.2861	.3722	.4605	
4	.0000	.0232	.0518	.0848	.1206	.1976	.2795	.3645	.4519	
5	.0000	.0217	.0493	.0815	.1165	.1922	.2729	.3570	.4435	
6	.0000	.0203	.0470	.0783	.1125	.1869	.2665	.3495	.4351	
7	.0000	.0189	.0447	.0752	.1087	.1817	.2602	.3422	.4269	
8	.0000	.0177	.0426	.0722	.1050	.1767	.2540	.3350	.4188	
9	.0000	.0165	.0405	.0693	.1013	.1718	.2479	.3280	.4108	
10	.0000	.0154	.0385	.0665	.0978	.1669	.2419	.3210	.4029	
11	.0000	.0144	.0367	.0639	.0944	.1622	.2360	.3140	.3951	
12	.0000	.0134	.0348	.0612	.0910	.1575	.2302	.3072	.3873	
13	.0000	.0125	.0331	.0587	.0878	.1529	.2245	.3004	.3796	
14	.0000	.0117	.0314	.0562	.0846	.1484	.2188	.2937	.3720	
15	.0000	.0109	.0298	.0538	.0814	.1440	.2132	.2871	.3644	
16	.0000	.0101	.0282	.0515	.0784	.1396	.2077	.2805	.3569	
17	.0000	.0094	.0267	.0492	.0754	.1353	.2022	.2740	.3494	
18	.0000	.0087	.0253	.0470	.0724	.1310	.1967	.2675	.3419	
19	.0000	.0081	.0239	.0449	.0696	.1268	.1913	.2610	.3345	
20	.0000	.0074	.0225	.0428	.0668	.1227	.1860	.2546	.3272	
21	.0000	.0069	.0212	.0407	.0640	.1186	.1807	.2482	.3199	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
22	.0000	.0063	.0200	.0387	.0613	.1145	.1754	.2419	.3126
23	.0000	.0058	.0188	.0368	.0586	.1105	.1702	.2356	.3053
24	.0000	.0053	.0176	.0349	.0561	.1066	.1651	.2293	.2981
25	.0000	.0049	.0165	.0331	.0535	.1027	.1599	.2231	.2909
26	.0000	.0045	.0154	.0313	.0510	.0988	.1548	.2169	.2837
27	.0000	.0041	.0144	.0296	.0486	.0950	.1498	.2107	.2766
28	.0000	.0037	.0134	.0279	.0462	.0912	.1447	.2046	.2695
29	.0000	.0034	.0125	.0263	.0438	.0875	.1398	.1985	.2624
30	.0000	.0030	.0116	.0247	.0416	.0839	.1348	.1925	.2554
31	.0000	.0027	.0107	.0232	.0393	.0802	.1300	.1864	.2484
32	.0000	.0025	.0099	.0217	.0372	.0767	.1251	.1805	.2414
33	.0000	.0022	.0091	.0203	.0350	.0732	.1203	.1745	.2345
34	.0000	.0020	.0083	.0189	.0330	.0697	.1156	.1686	.2276
35	.0000	.0017	.0076	.0176	.0310	.0663	.1109	.1627	.2207
36	.0000	.0015	.0070	.0163	.0290	.0630	.1062	.1569	.2138
37	.0000	.0014	.0063	.0150	.0271	.0597	.1016	.1511	.2070
38	.0000	.0012	.0057	.0139	.0253	.0564	.0970	.1454	.2002
39	.0000	.0010	.0052	.0127	.0235	.0533	.0925	.1397	.1935
40	.0000	.0009	.0047	.0117	.0218	.0502	.0881	.1341	.1869
41	.0000	.0008	.0042	.0107	.0201	.0472	.0838	.1286	.1803
42	.0000	.0007	.0037	.0097	.0186	.0444	.0796	.1232	.1739
43	.0000	.0006	.0033	.0088	.0171	.0416	.0755	.1179	.1675
44	.0000	.0005	.0029	.0080	.0157	.0389	.0716	.1127	.1613
45	.0000	.0004	.0026	.0072	.0144	.0363	.0677	.1076	.1551
46	.0000	.0004	.0023	.0065	.0131	.0338	.0639	.1026	.1490
47	.0000	.0003	.0020	.0058	.0119	.0314	.0602	.0977	.1431
48	.0000	.0002	.0017	.0052	.0108	.0291	.0566	.0929	.1372
49	.0000	.0002	.0015	.0046	.0098	.0269	.0532	.0882	.1313
50	.0000	.0002	.0013	.0041	.0088	.0248	.0498	.0836	.1256
51	.0000	.0001	.0011	.0036	.0079	.0227	.0465	.0791	.1200
52	.0000	.0001	.0009	.0031	.0070	.0208	.0433	.0747	.1144
53	.0000	.0001	.0008	.0027	.0062	.0190	.0403	.0703	.1089
54	.0000	.0001	.0007	.0023	.0055	.0172	.0373	.0661	.1035
55	.0000	.0001	.0006	.0020	.0048	.0156	.0344	.0620	.0982
56	.0000	.0000	.0005	.0017	.0042	.0140	.0316	.0579	.0930
57	.0000	.0000	.0004	.0014	.0036	.0125	.0290	.0540	.0879
58	.0000	.0000	.0003	.0012	.0031	.0111	.0264	.0502	.0829
59	.0000	.0000	.0002	.0010	.0026	.0098	.0240	.0465	.0780
60	.0000	.0000	.0002	.0008	.0022	.0086	.0216	.0429	.0732
61	.0000	.0000	.0001	.0006	.0018	.0075	.0194	.0394	.0686
62	.0000	.0000	.0001	.0005	.0015	.0064	.0173	.0361	.0641
63	.0000	.0000	.0001	.0004	.0012	.0055	.0154	.0329	.0597
64	.0000	.0000	.0001	.0003	.0010	.0047	.0135	.0299	.0554
65	.0000	.0000	.0000	.0002	.0008	.0039	.0118	.0270	.0513
66	.0000	.0000	.0000	.0002	.0006	.0032	.0102	.0243	.0474
67	.0000	.0000	.0000	.0001	.0004	.0026	.0088	.0217	.0436
68	.0000	.0000	.0000	.0001	.0003	.0021	.0075	.0192	.0399
69	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0169	.0364
70	.0000	.0000	.0000	.0000	.0002	.0012	.0052	.0148	.0330
71	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0127	.0298
72	.0000	.0000	.0000	.0000	.0001	.0006	.0033	.0109	.0268
73	.0000	.0000	.0000	.0000	.0000	.0004	.0026	.0093	.0241
74	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0083	.0224

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 1  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.6809	.6117	.5504	.4960	.4476	.4047	.3683	.3376	.3119	.2904	.2723	.2570	.2442	.2337
41	\$120	.6780	.6074	.5449	.4895	.4402	.3974	.3613	.3310	.3057	.2844	.2667	.2518	.2395	.2295
42	\$120	.6751	.6032	.5395	.4830	.4331	.3905	.3546	.3247	.2996	.2787	.2613	.2469	.2352	.2257
43	\$120	.6723	.5991	.5342	.4767	.4265	.3839	.3483	.3186	.2938	.2732	.2562	.2424	.2312	.2222
44	\$120	.6696	.5951	.5291	.4706	.4202	.3777	.3422	.3126	.2881	.2679	.2514	.2381	.2275	.2189
45	\$120	.6670	.5913	.5240	.4648	.4142	.3717	.3363	.3069	.2826	.2629	.2469	.2342	.2240	.2159
46	\$120	.6646	.5875	.5190	.4592	.4085	.3659	.3306	.3013	.2774	.2581	.2427	.2304	.2207	.2131
47	\$120	.6622	.5838	.5143	.4540	.4029	.3603	.3250	.2960	.2725	.2537	.2387	.2269	.2177	.2105
48	\$120	.6599	.5802	.5097	.4489	.3976	.3548	.3195	.2908	.2677	.2494	.2349	.2237	.2149	.2082
49	\$120	.6577	.5768	.5054	.4440	.3924	.3495	.3143	.2859	.2632	.2453	.2314	.2206	.2123	.2060
50	\$120	.6556	.5735	.5012	.4393	.3873	.3442	.3092	.2811	.2589	.2415	.2280	.2177	.2099	.2040
	\$250	.6557	.5737	.5005	.4354	.3778	.3270	.2829	.2449	.2127	.1855	.1626	.1434	.1275	.1142
51	\$120	.6535	.5703	.4972	.4347	.3823	.3392	.3043	.2765	.2547	.2378	.2249	.2151	.2077	.2022
	\$250	.6537	.5704	.4959	.4297	.3712	.3198	.2755	.2377	.2056	.1787	.1562	.1376	.1221	.1094
52	\$120	.6516	.5673	.4934	.4303	.3775	.3342	.2995	.2721	.2507	.2343	.2219	.2126	.2057	.2006
	\$250	.6518	.5673	.4915	.4242	.3647	.3129	.2684	.2306	.1988	.1722	.1501	.1319	.1170	.1048
53	\$120	.6498	.5644	.4897	.4259	.3728	.3295	.2949	.2678	.2469	.2310	.2191	.2102	.2038	.1991
	\$250	.6499	.5642	.4872	.4187	.3584	.3061	.2615	.2238	.1922	.1659	.1443	.1265	.1122	.1006
54	\$120	.6481	.5617	.4861	.4216	.3682	.3248	.2905	.2637	.2433	.2279	.2165	.2081	.2021	.1977
	\$250	.6482	.5612	.4829	.4133	.3523	.2996	.2548	.2171	.1857	.1598	.1386	.1214	.1076	.0966
55	\$120	.6464	.5591	.4826	.4175	.3637	.3203	.2861	.2598	.2398	.2249	.2140	.2061	.2005	.1965
	\$250	.6465	.5583	.4788	.4081	.3463	.2932	.2483	.2106	.1795	.1539	.1332	.1166	.1033	.0928
56	\$120	.6449	.5567	.4793	.4135	.3594	.3159	.2820	.2560	.2365	.2221	.2117	.2043	.1990	.1954
	\$250	.6449	.5556	.4748	.4030	.3405	.2870	.2419	.2043	.1734	.1482	.1280	.1119	.0992	.0893
57	\$120	.6435	.5543	.4760	.4096	.3551	.3117	.2779	.2523	.2333	.2195	.2096	.2026	.1977	.1944
	\$250	.6435	.5529	.4709	.3982	.3349	.2810	.2356	.1981	.1675	.1428	.1231	.1075	.0954	.0860
58	\$120	.6422	.5521	.4729	.4058	.3510	.3075	.2740	.2488	.2303	.2170	.2076	.2010	.1965	.1935
	\$250	.6421	.5503	.4672	.3934	.3294	.2750	.2295	.1921	.1618	.1375	.1183	.1034	.0918	.0830
	\$500	.6421	.5504	.4671	.3929	.3276	.2710	.2226	.1816	.1474	.1191	.0958	.0770	.0617	.0495
59	\$120	.6410	.5499	.4699	.4022	.3470	.3035	.2702	.2455	.2275	.2146	.2057	.1996	.1955	.1927
	\$250	.6408	.5479	.4636	.3888	.3241	.2692	.2236	.1863	.1562	.1324	.1138	.0995	.0885	.0802
	\$500	.6408	.5480	.4634	.3880	.3217	.2644	.2156	.1745	.1405	.1125	.0897	.0714	.0567	.0451
60	\$120	.6399	.5479	.4670	.3986	.3431	.2996	.2666	.2422	.2247	.2125	.2040	.1983	.1945	.1921
	\$250	.6396	.5456	.4601	.3844	.3189	.2636	.2178	.1806	.1509	.1276	.1096	.0958	.0854	.0776
	\$500	.6396	.5456	.4599	.3832	.3159	.2580	.2088	.1676	.1337	.1061	.0838	.0660	.0520	.0410
61	\$120	.6389	.5460	.4642	.3951	.3393	.2958	.2631	.2392	.2222	.2104	.2024	.1971	.1937	.1914
	\$250	.6384	.5434	.4568	.3801	.3138	.2581	.2121	.1751	.1458	.1230	.1055	.0923	.0825	.0753
	\$500	.6385	.5434	.4564	.3786	.3103	.2516	.2020	.1609	.1271	.0999	.0781	.0610	.0476	.0372
62	\$120	.6380	.5442	.4615	.3918	.3356	.2922	.2597	.2362	.2198	.2085	.2010	.1961	.1929	.1909
	\$250	.6374	.5414	.4537	.3759	.3089	.2527	.2066	.1697	.1408	.1185	.1016	.0891	.0798	.0731
	\$500	.6374	.5413	.4531	.3740	.3048	.2454	.1955	.1543	.1207	.0939	.0727	.0562	.0434	.0337
63	\$120	.6371	.5425	.4589	.3886	.3321	.2886	.2564	.2334	.2175	.2067	.1997	.1951	.1922	.1904
	\$250	.6365	.5395	.4507	.3719	.3041	.2474	.2013	.1646	.1360	.1143	.0980	.0860	.0774	.0712
	\$500	.6365	.5394	.4499	.3697	.2994	.2394	.1891	.1478	.1145	.0882	.0675	.0516	.0395	.0304
64	\$120	.6364	.5409	.4565	.3855	.3286	.2852	.2533	.2308	.2154	.2051	.1984	.1942	.1916	.1900
	\$250	.6357	.5377	.4479	.3681	.2995	.2423	.1961	.1596	.1315	.1103	.0946	.0832	.0751	.0694
	\$500	.6356	.5375	.4469	.3654	.2942	.2334	.1828	.1416	.1086	.0826	.0626	.0474	.0359	.0274
	\$1,000	.6357	.5375	.4469	.3654	.2941	.2332	.1823	.1406	.1071	.0807	.0602	.0444	.0325	.0235

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
65	\$120	.6357	.5394	.4541	.3824	.3253	.2819	.2504	.2283	.2134	.2036	.1973	.1935	.1911	.1897
	\$250	.6349	.5361	.4452	.3643	.2950	.2374	.1910	.1547	.1271	.1064	.0914	.0806	.0731	.0678
	\$500	.6349	.5358	.4440	.3614	.2891	.2277	.1767	.1355	.1028	.0774	.0579	.0434	.0326	.0247
	\$1,000	.6349	.5358	.4440	.3613	.2890	.2273	.1760	.1343	.1011	.0752	.0552	.0401	.0288	.0206
66	\$120	.6350	.5380	.4519	.3796	.3221	.2788	.2475	.2259	.2115	.2022	.1964	.1928	.1907	.1894
	\$250	.6342	.5346	.4426	.3608	.2906	.2326	.1861	.1501	.1229	.1028	.0884	.0783	.0712	.0664
	\$500	.6342	.5342	.4413	.3574	.2842	.2220	.1708	.1296	.0972	.0723	.0535	.0397	.0295	.0223
	\$1,000	.6342	.5342	.4413	.3574	.2839	.2215	.1699	.1282	.0953	.0698	.0505	.0361	.0255	.0179
67	\$120	.6345	.5367	.4498	.3768	.3190	.2757	.2448	.2237	.2098	.2009	.1955	.1922	.1903	.1892
	\$250	.6337	.5332	.4402	.3574	.2864	.2279	.1814	.1456	.1189	.0995	.0857	.0761	.0695	.0652
	\$500	.6336	.5328	.4387	.3537	.2794	.2166	.1650	.1238	.0918	.0675	.0494	.0362	.0267	.0200
	\$1,000	.6336	.5328	.4387	.3536	.2791	.2159	.1639	.1222	.0897	.0648	.0461	.0324	.0225	.0154
68	\$120	.6340	.5355	.4477	.3741	.3161	.2728	.2422	.2216	.2081	.1997	.1946	.1916	.1899	.1889
	\$250	.6332	.5320	.4380	.3541	.2824	.2234	.1769	.1414	.1151	.0963	.0831	.0741	.0680	.0641
	\$500	.6331	.5315	.4363	.3501	.2748	.2112	.1594	.1183	.0867	.0630	.0455	.0330	.0242	.0181
	\$1,000	.6331	.5315	.4362	.3499	.2744	.2105	.1581	.1165	.0843	.0599	.0420	.0290	.0197	.0133
69	\$120	.6335	.5344	.4458	.3716	.3132	.2700	.2398	.2196	.2066	.1987	.1939	.1912	.1896	.1888
	\$250	.6327	.5308	.4359	.3510	.2784	.2191	.1725	.1373	.1115	.0933	.0807	.0723	.0667	.0631
	\$500	.6326	.5303	.4340	.3466	.2703	.2061	.1539	.1130	.0818	.0586	.0419	.0301	.0219	.0163
	\$1,000	.6326	.5302	.4339	.3464	.2698	.2051	.1525	.1109	.0791	.0553	.0381	.0258	.0172	.0113
70	\$120	.6331	.5334	.4440	.3691	.3105	.2674	.2375	.2177	.2053	.1977	.1933	.1908	.1894	.1886
	\$250	.6323	.5298	.4339	.3480	.2747	.2149	.1683	.1333	.1081	.0905	.0785	.0706	.0655	.0623
	\$500	.6322	.5292	.4319	.3433	.2660	.2010	.1486	.1078	.0771	.0546	.0385	.0274	.0198	.0148
	\$1,000	.6322	.5292	.4318	.3430	.2653	.1999	.1470	.1055	.0741	.0510	.0345	.0229	.0150	.0097
71	\$120	.6328	.5324	.4423	.3667	.3078	.2648	.2352	.2159	.2040	.1968	.1927	.1904	.1891	.1885
	\$250	.6320	.5289	.4320	.3451	.2710	.2108	.1641	.1295	.1048	.0878	.0765	.0691	.0644	.0615
	\$500	.6319	.5282	.4299	.3401	.2617	.1961	.1434	.1028	.0725	.0507	.0354	.0249	.0180	.0134
	\$1,000	.6319	.5282	.4297	.3398	.2610	.1948	.1415	.1002	.0693	.0469	.0311	.0202	.0129	.0082
72	\$120	.6325	.5316	.4407	.3646	.3054	.2624	.2332	.2144	.2028	.1960	.1922	.1901	.1889	.1884
	\$250	.6318	.5281	.4303	.3425	.2676	.2070	.1603	.1261	.1019	.0855	.0747	.0678	.0635	.0609
	\$500	.6317	.5274	.4281	.3372	.2578	.1915	.1386	.0981	.0683	.0472	.0326	.0228	.0164	.0123
	\$1,000	.6316	.5273	.4279	.3368	.2569	.1900	.1365	.0954	.0649	.0432	.0281	.0179	.0112	.0069
73	\$120	.6322	.5308	.4393	.3626	.3031	.2603	.2314	.2130	.2018	.1953	.1917	.1898	.1888	.1883
	\$250	.6316	.5274	.4289	.3401	.2644	.2034	.1568	.1229	.0992	.0834	.0731	.0667	.0628	.0604
	\$500	.6315	.5267	.4265	.3346	.2541	.1872	.1341	.0939	.0646	.0440	.0301	.0209	.0150	.0114
	\$1,000	.6314	.5266	.4263	.3341	.2532	.1856	.1318	.0909	.0609	.0398	.0254	.0159	.0098	.0059
74	\$120	.6321	.5304	.4384	.3614	.3018	.2590	.2302	.2121	.2012	.1949	.1915	.1897	.1887	.1882
	\$250	.6315	.5270	.4280	.3386	.2625	.2012	.1546	.1209	.0976	.0821	.0722	.0660	.0623	.0601
	\$500	.6313	.5263	.4255	.3329	.2518	.1845	.1313	.0912	.0622	.0421	.0286	.0198	.0143	.0108
	\$1,000	.6313	.5262	.4253	.3324	.2508	.1828	.1289	.0881	.0585	.0378	.0238	.0147	.0089	.0053

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 1  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0009	.0046	.0116	.0216	.0499	.0877	.1334	.1860
41	\$120	.0000	.0008	.0041	.0106	.0200	.0470	.0834	.1279	.1795

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
42	\$120	.0000	.0007	.0037	.0096	.0185	.0441	.0792	.1225	.1730
43	\$120	.0000	.0006	.0033	.0087	.0170	.0413	.0751	.1172	.1667
44	\$120	.0000	.0005	.0029	.0079	.0156	.0386	.0711	.1121	.1606
45	\$120	.0000	.0004	.0026	.0071	.0143	.0360	.0673	.1070	.1548
46	\$120	.0000	.0003	.0023	.0064	.0130	.0336	.0635	.1020	.1492
47	\$120	.0000	.0003	.0020	.0057	.0118	.0312	.0598	.0973	.1440
48	\$120	.0000	.0002	.0017	.0051	.0107	.0289	.0562	.0927	.1389
49	\$120	.0000	.0002	.0015	.0045	.0097	.0267	.0528	.0884	.1340
50	\$120	.0000	.0002	.0013	.0040	.0087	.0246	.0495	.0842	.1293
	\$250	.0000	.0002	.0013	.0040	.0088	.0247	.0497	.0835	.1254
51	\$120	.0000	.0001	.0011	.0035	.0078	.0225	.0463	.0802	.1247
	\$250	.0000	.0001	.0011	.0035	.0078	.0227	.0464	.0789	.1197
52	\$120	.0000	.0001	.0009	.0031	.0069	.0206	.0433	.0764	.1203
	\$250	.0000	.0001	.0009	.0031	.0070	.0208	.0433	.0745	.1142
53	\$120	.0000	.0001	.0008	.0027	.0061	.0188	.0404	.0727	.1159
	\$250	.0000	.0001	.0008	.0027	.0062	.0189	.0402	.0702	.1087
54	\$120	.0000	.0001	.0007	.0023	.0054	.0171	.0377	.0691	.1116
	\$250	.0000	.0001	.0007	.0023	.0054	.0172	.0372	.0659	.1033
55	\$120	.0000	.0001	.0005	.0020	.0047	.0154	.0351	.0656	.1075
	\$250	.0000	.0001	.0006	.0020	.0048	.0155	.0343	.0618	.0981
56	\$120	.0000	.0000	.0004	.0017	.0041	.0139	.0327	.0623	.1035
	\$250	.0000	.0000	.0005	.0017	.0041	.0139	.0316	.0578	.0930
57	\$120	.0000	.0000	.0004	.0014	.0035	.0125	.0303	.0590	.0996
	\$250	.0000	.0000	.0004	.0014	.0036	.0125	.0289	.0539	.0882
58	\$120	.0000	.0000	.0003	.0012	.0030	.0112	.0281	.0559	.0958
	\$250	.0000	.0000	.0003	.0012	.0031	.0111	.0263	.0502	.0834
	\$500	.0000	.0000	.0003	.0012	.0031	.0111	.0264	.0501	.0829
59	\$120	.0000	.0000	.0002	.0010	.0026	.0100	.0259	.0529	.0922
	\$250	.0000	.0000	.0002	.0010	.0026	.0098	.0239	.0466	.0788
	\$500	.0000	.0000	.0002	.0010	.0026	.0098	.0240	.0464	.0780
60	\$120	.0000	.0000	.0002	.0008	.0022	.0089	.0239	.0500	.0886
	\$250	.0000	.0000	.0002	.0008	.0022	.0086	.0216	.0431	.0744
	\$500	.0000	.0000	.0002	.0008	.0022	.0086	.0216	.0429	.0732
61	\$120	.0000	.0000	.0001	.0006	.0018	.0079	.0220	.0472	.0851
	\$250	.0000	.0000	.0001	.0006	.0018	.0074	.0194	.0398	.0701
	\$500	.0000	.0000	.0001	.0006	.0018	.0075	.0194	.0394	.0686
62	\$120	.0000	.0000	.0001	.0005	.0015	.0070	.0202	.0445	.0818
	\$250	.0000	.0000	.0001	.0005	.0015	.0064	.0174	.0367	.0659
	\$500	.0000	.0000	.0001	.0005	.0015	.0064	.0173	.0361	.0640
63	\$120	.0000	.0000	.0001	.0004	.0012	.0061	.0185	.0419	.0786
	\$250	.0000	.0000	.0001	.0004	.0012	.0055	.0155	.0337	.0619
	\$500	.0000	.0000	.0001	.0004	.0012	.0055	.0154	.0329	.0597
64	\$120	.0000	.0000	.0001	.0003	.0010	.0054	.0169	.0395	.0755
	\$250	.0000	.0000	.0001	.0003	.0010	.0047	.0137	.0309	.0581
	\$500	.0000	.0000	.0001	.0003	.0010	.0046	.0135	.0299	.0554

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0047	.0135	.0299	.0554
65	\$120	.0000	.0000	.0000	.0002	.0008	.0047	.0154	.0371	.0724
	\$250	.0000	.0000	.0000	.0002	.0008	.0039	.0121	.0282	.0543
	\$500	.0000	.0000	.0000	.0002	.0008	.0039	.0118	.0270	.0514
	\$1,000	.0000	.0000	.0000	.0002	.0008	.0039	.0118	.0270	.0513
66	\$120	.0000	.0000	.0000	.0002	.0006	.0040	.0140	.0349	.0696
	\$250	.0000	.0000	.0000	.0002	.0006	.0032	.0106	.0256	.0508
	\$500	.0000	.0000	.0000	.0002	.0006	.0032	.0102	.0243	.0474
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0032	.0102	.0243	.0474
67	\$120	.0000	.0000	.0000	.0001	.0005	.0035	.0127	.0328	.0668
	\$250	.0000	.0000	.0000	.0001	.0004	.0027	.0092	.0232	.0474
	\$500	.0000	.0000	.0000	.0001	.0004	.0026	.0088	.0217	.0437
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0026	.0088	.0217	.0436
68	\$120	.0000	.0000	.0000	.0001	.0004	.0030	.0115	.0307	.0641
	\$250	.0000	.0000	.0000	.0001	.0003	.0022	.0080	.0210	.0441
	\$500	.0000	.0000	.0000	.0001	.0003	.0021	.0075	.0193	.0401
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0021	.0075	.0192	.0399
69	\$120	.0000	.0000	.0000	.0001	.0003	.0025	.0104	.0288	.0616
	\$250	.0000	.0000	.0000	.0001	.0002	.0017	.0068	.0189	.0410
	\$500	.0000	.0000	.0000	.0001	.0002	.0016	.0063	.0170	.0366
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0169	.0364
70	\$120	.0000	.0000	.0000	.0000	.0002	.0021	.0094	.0270	.0591
	\$250	.0000	.0000	.0000	.0000	.0002	.0013	.0058	.0169	.0380
	\$500	.0000	.0000	.0000	.0000	.0002	.0012	.0052	.0149	.0333
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0012	.0052	.0148	.0330
71	\$120	.0000	.0000	.0000	.0000	.0002	.0018	.0084	.0253	.0567
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0049	.0150	.0351
	\$500	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0129	.0301
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0127	.0298
72	\$120	.0000	.0000	.0000	.0000	.0001	.0015	.0076	.0237	.0546
	\$250	.0000	.0000	.0000	.0000	.0001	.0008	.0041	.0133	.0325
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0034	.0111	.0272
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0006	.0033	.0109	.0268
73	\$120	.0000	.0000	.0000	.0000	.0001	.0012	.0068	.0223	.0526
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0034	.0119	.0301
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0095	.0246
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0026	.0093	.0241
74	\$120	.0000	.0000	.0000	.0000	.0001	.0011	.0064	.0214	.0514
	\$250	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0110	.0286
	\$500	.0000	.0000	.0000	.0000	.0000	.0003	.0023	.0085	.0229
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0083	.0224

\*Single Loss Limit values are expressed in thousands of dollars.

Loss-Based Plan, with no Single Loss Limit

Insurance Charge Table  
Hazard Group 1  
Effective October 29, 2010

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8883	.8655	.8456	.8278	.8117	.7969	.7831	.7702	.7580	.7465	.7356	.7251	.7151	.7054
2	.8822	.8581	.8372	.8185	.8015	.7859	.7714	.7578	.7450	.7329	.7213	.7103	.6997	.6896
3	.8762	.8510	.8290	.8094	.7916	.7752	.7599	.7456	.7322	.7194	.7073	.6957	.6846	.6740
4	.8704	.8440	.8209	.8004	.7817	.7645	.7485	.7335	.7194	.7060	.6933	.6811	.6695	.6583
5	.8647	.8371	.8130	.7915	.7719	.7539	.7372	.7215	.7067	.6927	.6794	.6667	.6546	.6429
6	.8591	.8303	.8052	.7827	.7623	.7435	.7260	.7096	.6942	.6796	.6657	.6524	.6397	.6276
7	.8537	.8237	.7975	.7741	.7528	.7332	.7149	.6979	.6818	.6665	.6521	.6383	.6251	.6125
8	.8484	.8172	.7900	.7656	.7434	.7230	.7040	.6862	.6695	.6536	.6386	.6243	.6106	.5975
9	.8432	.8108	.7825	.7572	.7341	.7129	.6931	.6747	.6573	.6409	.6253	.6104	.5962	.5827
10	.8382	.8045	.7752	.7489	.7249	.7029	.6824	.6632	.6452	.6282	.6120	.5967	.5820	.5680
11	.8332	.7984	.7679	.7406	.7158	.6930	.6717	.6519	.6332	.6156	.5989	.5831	.5679	.5535
12	.8283	.7923	.7607	.7325	.7068	.6831	.6612	.6406	.6213	.6031	.5859	.5696	.5540	.5391
13	.8234	.7862	.7536	.7244	.6978	.6733	.6506	.6294	.6095	.5908	.5730	.5562	.5402	.5249
14	.8187	.7803	.7466	.7164	.6889	.6636	.6402	.6183	.5978	.5785	.5602	.5429	.5265	.5109
15	.8140	.7744	.7396	.7084	.6800	.6539	.6298	.6072	.5861	.5663	.5475	.5298	.5129	.4970
16	.8094	.7685	.7327	.7005	.6712	.6443	.6195	.5963	.5746	.5542	.5349	.5168	.4995	.4832
17	.8049	.7628	.7258	.6926	.6625	.6348	.6092	.5853	.5631	.5421	.5224	.5039	.4863	.4696
18	.8004	.7571	.7190	.6848	.6538	.6253	.5990	.5745	.5516	.5302	.5101	.4911	.4731	.4561
19	.7960	.7514	.7122	.6770	.6451	.6158	.5888	.5637	.5403	.5184	.4978	.4784	.4601	.4428
20	.7917	.7458	.7055	.6693	.6365	.6064	.5787	.5530	.5290	.5066	.4856	.4659	.4473	.4297
21	.7874	.7402	.6988	.6616	.6279	.5971	.5686	.5423	.5178	.4949	.4735	.4534	.4345	.4167
22	.7831	.7347	.6921	.6540	.6194	.5877	.5586	.5317	.5067	.4833	.4615	.4411	.4219	.4038
23	.7789	.7292	.6855	.6463	.6109	.5785	.5487	.5211	.4956	.4718	.4496	.4289	.4094	.3911
24	.7748	.7238	.6789	.6387	.6024	.5692	.5387	.5106	.4846	.4604	.4378	.4167	.3970	.3784
25	.7707	.7184	.6724	.6312	.5939	.5600	.5288	.5002	.4736	.4490	.4261	.4047	.3847	.3660
26	.7666	.7130	.6659	.6237	.5855	.5508	.5190	.4897	.4627	.4377	.4144	.3928	.3725	.3536
27	.7626	.7077	.6594	.6162	.5771	.5417	.5092	.4794	.4519	.4265	.4029	.3809	.3605	.3413
28	.7586	.7025	.6529	.6087	.5688	.5325	.4994	.4691	.4411	.4153	.3914	.3692	.3485	.3292
29	.7547	.6972	.6466	.6013	.5605	.5235	.4897	.4588	.4304	.4043	.3800	.3575	.3366	.3172
30	.7509	.6921	.6402	.5939	.5522	.5144	.4801	.4486	.4198	.3932	.3687	.3460	.3248	.3052
31	.7471	.6869	.6339	.5865	.5440	.5055	.4705	.4385	.4092	.3823	.3574	.3345	.3132	.2934
32	.7434	.6818	.6276	.5792	.5358	.4965	.4609	.4284	.3986	.3714	.3462	.3230	.3015	.2816
33	.7397	.6768	.6213	.5719	.5276	.4876	.4513	.4183	.3882	.3605	.3351	.3117	.2900	.2699
34	.7360	.6718	.6151	.5647	.5194	.4787	.4418	.4082	.3777	.3497	.3240	.3003	.2785	.2582
35	.7325	.6669	.6090	.5575	.5113	.4698	.4323	.3982	.3672	.3389	.3129	.2890	.2670	.2467
36	.7289	.6620	.6028	.5502	.5032	.4609	.4228	.3882	.3568	.3281	.3018	.2778	.2556	.2353
37	.7255	.6571	.5967	.5431	.4951	.4521	.4133	.3782	.3464	.3173	.2908	.2666	.2443	.2239
38	.7221	.6523	.5907	.5360	.4871	.4433	.4039	.3682	.3360	.3066	.2798	.2554	.2331	.2128
39	.7188	.6476	.5847	.5289	.4791	.4345	.3945	.3583	.3256	.2959	.2690	.2445	.2221	.2018
40	.7156	.6430	.5789	.5219	.4712	.4258	.3851	.3485	.3153	.2854	.2582	.2336	.2113	.1911
41	.7124	.6385	.5731	.5150	.4634	.4172	.3759	.3387	.3052	.2749	.2477	.2230	.2008	.1807
42	.7094	.6341	.5674	.5083	.4557	.4087	.3667	.3290	.2951	.2647	.2373	.2126	.1905	.1705
43	.7065	.6298	.5618	.5016	.4480	.4003	.3576	.3194	.2852	.2546	.2271	.2025	.1804	.1607
44	.7037	.6256	.5564	.4950	.4405	.3920	.3487	.3100	.2755	.2446	.2171	.1926	.1707	.1512
45	.7009	.6215	.5510	.4886	.4331	.3837	.3398	.3007	.2659	.2349	.2074	.1829	.1612	.1420
46	.6983	.6175	.5458	.4822	.4257	.3756	.3310	.2915	.2564	.2253	.1978	.1735	.1520	.1331
47	.6958	.6137	.5407	.4759	.4184	.3675	.3224	.2824	.2471	.2159	.1885	.1643	.1431	.1245
48	.6934	.6099	.5356	.4697	.4113	.3595	.3138	.2735	.2379	.2067	.1794	.1554	.1344	.1162
49	.6911	.6063	.5307	.4636	.4042	.3516	.3053	.2646	.2289	.1977	.1704	.1467	.1261	.1082
50	.6888	.6027	.5259	.4576	.3971	.3438	.2970	.2559	.2201	.1888	.1617	.1383	.1180	.1005

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
51	.6867	.5993	.5211	.4516	.3902	.3361	.2887	.2473	.2114	.1802	.1532	.1301	.1102	.0931
52	.6847	.5959	.5165	.4458	.3833	.3285	.2806	.2389	.2028	.1717	.1450	.1221	.1026	.0861
53	.6827	.5927	.5119	.4400	.3766	.3209	.2725	.2305	.1944	.1634	.1369	.1144	.0954	.0793
54	.6809	.5896	.5074	.4344	.3699	.3135	.2646	.2223	.1861	.1553	.1291	.1070	.0884	.0728
55	.6792	.5866	.5031	.4288	.3633	.3062	.2567	.2142	.1780	.1473	.1214	.0997	.0816	.0666
56	.6775	.5836	.4989	.4233	.3568	.2989	.2490	.2063	.1701	.1396	.1140	.0928	.0752	.0607
57	.6759	.5808	.4947	.4180	.3504	.2918	.2414	.1985	.1623	.1320	.1068	.0861	.0691	.0552
58	.6745	.5782	.4907	.4127	.3442	.2847	.2339	.1908	.1546	.1246	.0999	.0796	.0632	.0499
59	.6731	.5756	.4868	.4076	.3380	.2778	.2265	.1832	.1472	.1174	.0931	.0734	.0576	.0449
60	.6718	.5731	.4831	.4026	.3319	.2710	.2192	.1758	.1399	.1105	.0866	.0675	.0523	.0403
61	.6707	.5708	.4795	.3977	.3260	.2643	.2121	.1686	.1328	.1037	.0804	.0619	.0473	.0359
62	.6696	.5686	.4760	.3929	.3202	.2577	.2051	.1614	.1258	.0972	.0744	.0565	.0426	.0319
63	.6686	.5666	.4726	.3883	.3145	.2513	.1982	.1545	.1191	.0909	.0687	.0514	.0382	.0281
64	.6677	.5646	.4694	.3839	.3089	.2449	.1915	.1477	.1126	.0848	.0632	.0466	.0341	.0247
65	.6669	.5628	.4664	.3795	.3035	.2387	.1849	.1411	.1062	.0789	.0580	.0421	.0303	.0216
66	.6662	.5612	.4635	.3754	.2983	.2327	.1785	.1347	.1001	.0733	.0531	.0379	.0268	.0187
67	.6655	.5597	.4608	.3714	.2931	.2268	.1722	.1284	.0942	.0680	.0484	.0340	.0236	.0162
68	.6650	.5583	.4582	.3675	.2882	.2211	.1661	.1224	.0885	.0629	.0441	.0304	.0207	.0139
69	.6645	.5570	.4558	.3638	.2834	.2155	.1601	.1165	.0830	.0581	.0400	.0271	.0180	.0119
70	.6641	.5558	.4535	.3603	.2787	.2100	.1544	.1108	.0778	.0536	.0362	.0240	.0157	.0101
71	.6638	.5548	.4514	.3569	.2741	.2046	.1486	.1053	.0728	.0492	.0326	.0212	.0135	.0085
72	.6635	.5539	.4495	.3538	.2699	.1996	.1434	.1001	.0682	.0453	.0294	.0188	.0117	.0072
73	.6633	.5532	.4478	.3509	.2659	.1949	.1384	.0954	.0640	.0418	.0267	.0166	.0102	.0061
74	.6632	.5527	.4468	.3491	.2634	.1920	.1353	.0925	.0614	.0396	.0250	.0154	.0093	.0055

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 1  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0298	.0633	.1005	.1404	.2255	.3150	.4075	.5022
2	.0000	.0279	.0602	.0965	.1357	.2194	.3077	.3992	.4929
3	.0000	.0261	.0572	.0927	.1311	.2134	.3006	.3910	.4838
4	.0000	.0244	.0545	.0891	.1267	.2076	.2935	.3829	.4747
5	.0000	.0228	.0518	.0856	.1224	.2019	.2867	.3750	.4658
6	.0000	.0213	.0493	.0822	.1182	.1963	.2799	.3672	.4571
7	.0000	.0199	.0470	.0790	.1142	.1909	.2733	.3595	.4485
8	.0000	.0186	.0447	.0759	.1103	.1856	.2668	.3519	.4400
9	.0000	.0174	.0426	.0728	.1065	.1804	.2604	.3445	.4315
10	.0000	.0162	.0405	.0699	.1028	.1753	.2541	.3371	.4232
11	.0000	.0151	.0385	.0671	.0991	.1704	.2479	.3299	.4150
12	.0000	.0141	.0366	.0643	.0956	.1655	.2418	.3227	.4069
13	.0000	.0132	.0348	.0617	.0922	.1606	.2358	.3156	.3988
14	.0000	.0123	.0330	.0591	.0888	.1559	.2298	.3085	.3907
15	.0000	.0114	.0313	.0565	.0855	.1512	.2240	.3016	.3828
16	.0000	.0106	.0296	.0541	.0823	.1466	.2181	.2946	.3749
17	.0000	.0099	.0281	.0517	.0792	.1421	.2124	.2878	.3670
18	.0000	.0091	.0265	.0494	.0761	.1376	.2066	.2809	.3592
19	.0000	.0085	.0251	.0471	.0731	.1332	.2010	.2742	.3514

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
20	.0000	.0078	.0237	.0449	.0701	.1288	.1954	.2674	.3437
21	.0000	.0072	.0223	.0428	.0672	.1245	.1898	.2607	.3360
22	.0000	.0067	.0210	.0407	.0644	.1203	.1843	.2541	.3283
23	.0000	.0061	.0197	.0387	.0616	.1161	.1788	.2475	.3207
24	.0000	.0056	.0185	.0367	.0589	.1119	.1734	.2409	.3131
25	.0000	.0051	.0173	.0348	.0562	.1078	.1680	.2344	.3056
26	.0000	.0047	.0162	.0329	.0536	.1038	.1626	.2278	.2980
27	.0000	.0043	.0151	.0311	.0510	.0998	.1573	.2214	.2905
28	.0000	.0039	.0141	.0293	.0485	.0958	.1520	.2149	.2831
29	.0000	.0035	.0131	.0276	.0461	.0919	.1468	.2085	.2757
30	.0000	.0032	.0121	.0259	.0437	.0881	.1416	.2022	.2683
31	.0000	.0029	.0112	.0243	.0413	.0843	.1365	.1958	.2609
32	.0000	.0026	.0104	.0228	.0390	.0805	.1314	.1896	.2536
33	.0000	.0023	.0096	.0213	.0368	.0769	.1264	.1833	.2463
34	.0000	.0021	.0088	.0198	.0346	.0732	.1214	.1771	.2390
35	.0000	.0018	.0080	.0184	.0325	.0697	.1164	.1709	.2318
36	.0000	.0016	.0073	.0171	.0305	.0661	.1115	.1648	.2246
37	.0000	.0014	.0067	.0158	.0285	.0627	.1067	.1587	.2175
38	.0000	.0012	.0060	.0146	.0265	.0593	.1019	.1527	.2103
39	.0000	.0011	.0054	.0134	.0247	.0560	.0972	.1467	.2033
40	.0000	.0009	.0049	.0123	.0229	.0528	.0926	.1408	.1963
41	.0000	.0008	.0044	.0112	.0212	.0496	.0881	.1351	.1894
42	.0000	.0007	.0039	.0102	.0195	.0466	.0837	.1294	.1826
43	.0000	.0006	.0035	.0093	.0180	.0437	.0794	.1238	.1760
44	.0000	.0005	.0031	.0084	.0165	.0408	.0752	.1184	.1694
45	.0000	.0004	.0027	.0076	.0151	.0381	.0711	.1130	.1629
46	.0000	.0004	.0024	.0068	.0138	.0355	.0671	.1078	.1566
47	.0000	.0003	.0021	.0061	.0125	.0330	.0633	.1027	.1503
48	.0000	.0003	.0018	.0054	.0114	.0306	.0595	.0976	.1441
49	.0000	.0002	.0016	.0048	.0103	.0282	.0559	.0927	.1380
50	.0000	.0002	.0014	.0043	.0092	.0260	.0523	.0878	.1319
51	.0000	.0001	.0012	.0037	.0083	.0239	.0489	.0831	.1260
52	.0000	.0001	.0010	.0033	.0073	.0219	.0455	.0784	.1201
53	.0000	.0001	.0008	.0028	.0065	.0199	.0423	.0739	.1144
54	.0000	.0001	.0007	.0024	.0057	.0181	.0392	.0694	.1087
55	.0000	.0001	.0006	.0021	.0050	.0163	.0361	.0651	.1032
56	.0000	.0000	.0005	.0018	.0044	.0147	.0332	.0608	.0977
57	.0000	.0000	.0004	.0015	.0038	.0131	.0304	.0567	.0923
58	.0000	.0000	.0003	.0012	.0032	.0117	.0277	.0527	.0871
59	.0000	.0000	.0002	.0010	.0027	.0103	.0252	.0488	.0819
60	.0000	.0000	.0002	.0008	.0023	.0090	.0227	.0451	.0769
61	.0000	.0000	.0002	.0007	.0019	.0079	.0204	.0414	.0721
62	.0000	.0000	.0001	.0005	.0016	.0068	.0182	.0379	.0673
63	.0000	.0000	.0001	.0004	.0013	.0058	.0162	.0346	.0627
64	.0000	.0000	.0001	.0003	.0010	.0049	.0142	.0314	.0582
65	.0000	.0000	.0000	.0002	.0008	.0041	.0124	.0284	.0539

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
66	.0000	.0000	.0000	.0002	.0006	.0034	.0108	.0255	.0498
67	.0000	.0000	.0000	.0001	.0005	.0027	.0092	.0227	.0457
68	.0000	.0000	.0000	.0001	.0003	.0022	.0078	.0202	.0419
69	.0000	.0000	.0000	.0001	.0002	.0017	.0066	.0178	.0382
70	.0000	.0000	.0000	.0000	.0002	.0013	.0054	.0155	.0347
71	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0134	.0313
72	.0000	.0000	.0000	.0000	.0001	.0007	.0035	.0115	.0281
73	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0098	.0253
74	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0087	.0235

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 1  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7153	.6425	.5782	.5211	.4701	.4251	.3868	.3547	.3277	.3050	.2860	.2700	.2566	.2455
41	\$120	.7121	.6380	.5724	.5142	.4624	.4174	.3795	.3477	.3211	.2988	.2801	.2645	.2516	.2411
42	\$120	.7091	.6336	.5667	.5074	.4550	.4102	.3725	.3410	.3147	.2928	.2745	.2594	.2471	.2371
43	\$120	.7062	.6293	.5612	.5007	.4480	.4033	.3659	.3346	.3086	.2869	.2691	.2546	.2428	.2334
44	\$120	.7034	.6251	.5557	.4943	.4414	.3968	.3595	.3284	.3026	.2814	.2641	.2501	.2389	.2300
45	\$120	.7007	.6211	.5504	.4882	.4351	.3905	.3533	.3224	.2969	.2761	.2594	.2460	.2353	.2268
46	\$120	.6981	.6171	.5452	.4824	.4291	.3844	.3472	.3165	.2914	.2712	.2550	.2421	.2319	.2238
47	\$120	.6956	.6133	.5402	.4769	.4233	.3785	.3414	.3109	.2862	.2665	.2508	.2384	.2287	.2212
48	\$120	.6931	.6095	.5354	.4715	.4176	.3727	.3356	.3055	.2812	.2620	.2468	.2349	.2257	.2187
49	\$120	.6908	.6059	.5308	.4664	.4122	.3671	.3301	.3003	.2765	.2577	.2430	.2317	.2230	.2164
50	\$120	.6886	.6024	.5265	.4615	.4068	.3616	.3248	.2953	.2719	.2536	.2395	.2287	.2205	.2143
	\$250	.6888	.6026	.5257	.4573	.3968	.3435	.2971	.2573	.2234	.1948	.1708	.1507	.1339	.1200
51	\$120	.6865	.5991	.5223	.4566	.4016	.3563	.3196	.2904	.2675	.2498	.2362	.2259	.2182	.2124
	\$250	.6867	.5992	.5209	.4514	.3899	.3360	.2894	.2496	.2160	.1877	.1641	.1445	.1282	.1149
52	\$120	.6845	.5959	.5182	.4519	.3965	.3511	.3146	.2858	.2634	.2461	.2331	.2233	.2160	.2107
	\$250	.6846	.5959	.5163	.4455	.3831	.3287	.2819	.2422	.2088	.1809	.1577	.1386	.1229	.1101
53	\$120	.6825	.5929	.5143	.4474	.3915	.3461	.3098	.2813	.2594	.2427	.2301	.2208	.2140	.2091
	\$250	.6827	.5926	.5117	.4398	.3765	.3216	.2747	.2351	.2019	.1743	.1515	.1329	.1178	.1056
54	\$120	.6807	.5900	.5106	.4429	.3867	.3412	.3051	.2770	.2555	.2394	.2274	.2186	.2122	.2077
	\$250	.6808	.5895	.5073	.4342	.3700	.3147	.2676	.2281	.1951	.1679	.1456	.1275	.1130	.1014
55	\$120	.6790	.5873	.5069	.4386	.3820	.3365	.3006	.2729	.2519	.2363	.2248	.2165	.2106	.2064
	\$250	.6791	.5865	.5030	.4287	.3638	.3080	.2608	.2212	.1885	.1617	.1399	.1224	.1085	.0975
56	\$120	.6775	.5847	.5034	.4344	.3775	.3319	.2962	.2689	.2484	.2333	.2224	.2146	.2091	.2052
	\$250	.6775	.5836	.4987	.4234	.3577	.3015	.2541	.2146	.1821	.1557	.1345	.1176	.1042	.0938
57	\$120	.6760	.5823	.5000	.4303	.3730	.3274	.2919	.2650	.2451	.2305	.2201	.2128	.2077	.2042
	\$250	.6759	.5808	.4946	.4182	.3518	.2951	.2475	.2081	.1759	.1500	.1293	.1130	.1002	.0904
58	\$120	.6746	.5799	.4967	.4263	.3687	.3230	.2878	.2614	.2419	.2279	.2180	.2112	.2065	.2033
	\$250	.6744	.5781	.4907	.4132	.3461	.2889	.2411	.2018	.1699	.1444	.1243	.1086	.0965	.0872
	\$500	.6745	.5782	.4907	.4127	.3441	.2847	.2338	.1908	.1548	.1251	.1007	.0808	.0648	.0520
59	\$120	.6734	.5777	.4935	.4224	.3645	.3188	.2838	.2578	.2389	.2255	.2161	.2097	.2053	.2025
	\$250	.6731	.5755	.4869	.4084	.3405	.2828	.2348	.1956	.1641	.1391	.1196	.1045	.0930	.0842
	\$500	.6731	.5756	.4868	.4075	.3379	.2777	.2265	.1833	.1475	.1181	.0942	.0749	.0596	.0474
60	\$120	.6722	.5756	.4905	.4187	.3604	.3147	.2800	.2545	.2361	.2232	.2143	.2083	.2043	.2017
	\$250	.6718	.5731	.4833	.4038	.3350	.2769	.2288	.1897	.1585	.1340	.1151	.1006	.0897	.0815

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$500	.6718	.5731	.4831	.4025	.3319	.2710	.2193	.1761	.1404	.1114	.0880	.0694	.0546	.0431
61	\$120	.6711	.5735	.4876	.4151	.3564	.3107	.2763	.2512	.2334	.2210	.2126	.2071	.2034	.2011
	\$250	.6706	.5708	.4799	.3993	.3297	.2711	.2228	.1839	.1531	.1292	.1108	.0970	.0867	.0791
	\$500	.6707	.5708	.4794	.3976	.3259	.2643	.2122	.1690	.1335	.1049	.0820	.0640	.0500	.0391
62	\$120	.6701	.5717	.4848	.4116	.3526	.3069	.2728	.2481	.2308	.2190	.2111	.2060	.2026	.2005
	\$250	.6696	.5687	.4766	.3949	.3245	.2654	.2170	.1783	.1479	.1245	.1068	.0936	.0839	.0768
	\$500	.6696	.5686	.4759	.3929	.3202	.2578	.2054	.1620	.1268	.0986	.0764	.0590	.0456	.0354
63	\$120	.6693	.5699	.4821	.4082	.3488	.3032	.2694	.2452	.2285	.2172	.2097	.2049	.2019	.2000
	\$250	.6686	.5667	.4734	.3907	.3195	.2599	.2114	.1729	.1429	.1200	.1030	.0904	.0813	.0748
	\$500	.6686	.5666	.4726	.3883	.3145	.2514	.1986	.1553	.1203	.0926	.0709	.0542	.0415	.0319
64	\$120	.6684	.5682	.4795	.4049	.3452	.2996	.2661	.2424	.2262	.2154	.2085	.2040	.2013	.1996
	\$250	.6677	.5649	.4705	.3866	.3146	.2546	.2060	.1676	.1381	.1158	.0994	.0874	.0789	.0729
	\$500	.6677	.5646	.4694	.3839	.3090	.2452	.1920	.1487	.1140	.0868	.0658	.0497	.0377	.0288
	\$1,000	.6677	.5646	.4694	.3839	.3089	.2449	.1915	.1477	.1125	.0848	.0632	.0466	.0341	.0247
65	\$120	.6677	.5666	.4770	.4017	.3417	.2961	.2630	.2398	.2241	.2138	.2073	.2032	.2007	.1993
	\$250	.6669	.5631	.4676	.3827	.3099	.2494	.2007	.1625	.1335	.1118	.0960	.0847	.0768	.0713
	\$500	.6669	.5628	.4664	.3796	.3037	.2391	.1856	.1423	.1080	.0813	.0609	.0456	.0342	.0260
	\$1,000	.6669	.5628	.4664	.3795	.3035	.2387	.1849	.1411	.1062	.0789	.0580	.0421	.0303	.0216
66	\$120	.6670	.5652	.4747	.3987	.3383	.2928	.2600	.2373	.2222	.2124	.2063	.2025	.2003	.1990
	\$250	.6662	.5616	.4649	.3790	.3053	.2443	.1955	.1577	.1291	.1080	.0929	.0822	.0748	.0698
	\$500	.6662	.5612	.4635	.3755	.2985	.2332	.1794	.1361	.1021	.0760	.0562	.0417	.0310	.0234
	\$1,000	.6662	.5612	.4635	.3754	.2983	.2327	.1785	.1347	.1001	.0734	.0531	.0379	.0268	.0188
67	\$120	.6664	.5638	.4724	.3958	.3351	.2896	.2571	.2349	.2203	.2110	.2053	.2019	.1998	.1987
	\$250	.6656	.5601	.4624	.3754	.3009	.2394	.1906	.1530	.1249	.1045	.0900	.0799	.0731	.0685
	\$500	.6655	.5597	.4608	.3715	.2935	.2275	.1733	.1301	.0965	.0709	.0519	.0380	.0281	.0211
	\$1,000	.6655	.5597	.4608	.3714	.2931	.2268	.1722	.1284	.0942	.0680	.0484	.0340	.0236	.0162
68	\$120	.6659	.5625	.4703	.3930	.3320	.2866	.2544	.2327	.2186	.2098	.2045	.2013	.1995	.1985
	\$250	.6651	.5588	.4601	.3720	.2966	.2347	.1858	.1485	.1209	.1011	.0873	.0778	.0715	.0673
	\$500	.6650	.5583	.4583	.3677	.2886	.2219	.1674	.1243	.0911	.0661	.0478	.0347	.0254	.0190
	\$1,000	.6650	.5583	.4582	.3675	.2882	.2211	.1661	.1224	.0885	.0630	.0441	.0304	.0207	.0139
69	\$120	.6655	.5614	.4683	.3903	.3290	.2836	.2519	.2306	.2171	.2087	.2037	.2008	.1992	.1983
	\$250	.6646	.5576	.4578	.3687	.2925	.2301	.1812	.1442	.1171	.0980	.0848	.0759	.0701	.0663
	\$500	.6645	.5570	.4559	.3641	.2839	.2164	.1617	.1187	.0859	.0616	.0440	.0316	.0230	.0172
	\$1,000	.6645	.5570	.4558	.3638	.2834	.2155	.1601	.1165	.0831	.0581	.0400	.0271	.0181	.0119
70	\$120	.6650	.5603	.4664	.3877	.3261	.2809	.2494	.2287	.2156	.2077	.2030	.2004	.1989	.1981
	\$250	.6642	.5565	.4558	.3655	.2885	.2257	.1768	.1401	.1136	.0950	.0825	.0742	.0688	.0654
	\$500	.6641	.5559	.4536	.3606	.2794	.2112	.1561	.1133	.0810	.0573	.0405	.0288	.0208	.0156
	\$1,000	.6641	.5558	.4535	.3603	.2787	.2100	.1544	.1109	.0779	.0536	.0362	.0241	.0157	.0102
71	\$120	.6647	.5593	.4646	.3852	.3233	.2781	.2471	.2268	.2142	.2067	.2024	.2000	.1987	.1980
	\$250	.6639	.5555	.4538	.3625	.2846	.2214	.1724	.1361	.1101	.0923	.0803	.0726	.0677	.0647
	\$500	.6638	.5548	.4515	.3573	.2749	.2060	.1506	.1079	.0761	.0532	.0371	.0262	.0189	.0141
	\$1,000	.6638	.5548	.4514	.3569	.2741	.2046	.1487	.1053	.0728	.0492	.0326	.0212	.0136	.0086
72	\$120	.6644	.5584	.4629	.3830	.3208	.2757	.2450	.2252	.2130	.2059	.2019	.1997	.1985	.1979
	\$250	.6636	.5547	.4520	.3598	.2811	.2174	.1684	.1324	.1070	.0898	.0785	.0712	.0667	.0640
	\$500	.6635	.5540	.4497	.3542	.2708	.2011	.1456	.1031	.0718	.0495	.0342	.0239	.0172	.0129
	\$1,000	.6635	.5539	.4495	.3538	.2699	.1996	.1434	.1002	.0682	.0453	.0295	.0188	.0118	.0073
73	\$120	.6641	.5576	.4614	.3809	.3184	.2734	.2430	.2237	.2120	.2052	.2014	.1994	.1983	.1978
	\$250	.6634	.5540	.4505	.3572	.2778	.2137	.1647	.1291	.1042	.0876	.0768	.0701	.0659	.0635
	\$500	.6633	.5532	.4480	.3514	.2669	.1966	.1409	.0986	.0678	.0463	.0316	.0220	.0158	.0119
	\$1,000	.6633	.5532	.4478	.3509	.2659	.1950	.1385	.0955	.0640	.0418	.0267	.0167	.0103	.0062
74	\$120	.6640	.5571	.4605	.3796	.3170	.2720	.2419	.2228	.2113	.2048	.2011	.1992	.1982	.1977
	\$250	.6633	.5536	.4495	.3557	.2757	.2114	.1624	.1270	.1025	.0863	.0758	.0694	.0655	.0632
	\$500	.6632	.5528	.4470	.3497	.2645	.1938	.1379	.0958	.0654	.0442	.0301	.0208	.0150	.0114

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$1,000	.6632	.5527	.4468	.3491	.2634	.1920	.1354	.0925	.0614	.0397	.0250	.0155	.0094	.0056

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 1  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0009	.0048	.0122	.0227	.0524	.0921	.1402	.1954
41	\$120	.0000	.0008	.0043	.0111	.0210	.0493	.0876	.1344	.1885
42	\$120	.0000	.0007	.0039	.0101	.0194	.0463	.0832	.1287	.1818
43	\$120	.0000	.0006	.0035	.0092	.0178	.0434	.0789	.1232	.1751
44	\$120	.0000	.0005	.0031	.0083	.0164	.0406	.0747	.1177	.1687
45	\$120	.0000	.0004	.0027	.0075	.0150	.0379	.0706	.1124	.1626
46	\$120	.0000	.0004	.0024	.0067	.0137	.0353	.0667	.1072	.1568
47	\$120	.0000	.0003	.0021	.0060	.0124	.0327	.0628	.1022	.1512
48	\$120	.0000	.0003	.0018	.0054	.0113	.0303	.0591	.0974	.1459
49	\$120	.0000	.0002	.0016	.0048	.0102	.0280	.0555	.0928	.1408
50	\$120	.0000	.0002	.0013	.0042	.0091	.0258	.0520	.0884	.1358
	\$250	.0000	.0002	.0014	.0042	.0092	.0260	.0522	.0877	.1317
51	\$120	.0000	.0001	.0012	.0037	.0082	.0237	.0486	.0842	.1310
	\$250	.0000	.0001	.0012	.0037	.0082	.0238	.0488	.0829	.1258
52	\$120	.0000	.0001	.0010	.0032	.0073	.0217	.0455	.0802	.1263
	\$250	.0000	.0001	.0010	.0033	.0073	.0218	.0454	.0783	.1199
53	\$120	.0000	.0001	.0008	.0028	.0064	.0197	.0425	.0763	.1217
	\$250	.0000	.0001	.0008	.0028	.0065	.0199	.0422	.0737	.1142
54	\$120	.0000	.0001	.0007	.0024	.0057	.0179	.0396	.0726	.1173
	\$250	.0000	.0001	.0007	.0024	.0057	.0180	.0391	.0693	.1085
55	\$120	.0000	.0001	.0006	.0021	.0050	.0162	.0369	.0689	.1129
	\$250	.0000	.0001	.0006	.0021	.0050	.0163	.0361	.0649	.1031
56	\$120	.0000	.0000	.0005	.0018	.0043	.0146	.0343	.0654	.1087
	\$250	.0000	.0000	.0005	.0018	.0043	.0146	.0331	.0607	.0977
57	\$120	.0000	.0000	.0004	.0015	.0037	.0132	.0318	.0620	.1046
	\$250	.0000	.0000	.0004	.0015	.0038	.0131	.0303	.0566	.0926
58	\$120	.0000	.0000	.0003	.0012	.0032	.0118	.0295	.0587	.1007
	\$250	.0000	.0000	.0003	.0012	.0032	.0116	.0277	.0527	.0876
	\$500	.0000	.0000	.0003	.0012	.0032	.0117	.0277	.0527	.0870
59	\$120	.0000	.0000	.0002	.0010	.0027	.0105	.0273	.0555	.0968
	\$250	.0000	.0000	.0002	.0010	.0027	.0103	.0251	.0489	.0828
	\$500	.0000	.0000	.0002	.0010	.0027	.0103	.0252	.0488	.0819
60	\$120	.0000	.0000	.0002	.0008	.0023	.0094	.0251	.0525	.0931
	\$250	.0000	.0000	.0002	.0008	.0023	.0090	.0227	.0453	.0781
	\$500	.0000	.0000	.0002	.0008	.0023	.0090	.0227	.0450	.0769

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
61	\$120	.0000	.0000	.0001	.0007	.0019	.0083	.0231	.0495	.0894
	\$250	.0000	.0000	.0001	.0007	.0019	.0078	.0204	.0418	.0736
	\$500	.0000	.0000	.0002	.0007	.0019	.0078	.0204	.0414	.0720
62	\$120	.0000	.0000	.0001	.0005	.0016	.0073	.0212	.0467	.0859
	\$250	.0000	.0000	.0001	.0005	.0016	.0067	.0183	.0386	.0693
	\$500	.0000	.0000	.0001	.0005	.0016	.0068	.0182	.0379	.0673
63	\$120	.0000	.0000	.0001	.0004	.0013	.0064	.0194	.0440	.0825
	\$250	.0000	.0000	.0001	.0004	.0013	.0058	.0163	.0354	.0650
	\$500	.0000	.0000	.0001	.0004	.0013	.0058	.0161	.0346	.0627
64	\$120	.0000	.0000	.0001	.0003	.0011	.0056	.0178	.0415	.0793
	\$250	.0000	.0000	.0001	.0003	.0010	.0049	.0144	.0324	.0610
	\$500	.0000	.0000	.0001	.0003	.0010	.0049	.0142	.0314	.0582
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0049	.0142	.0314	.0582
65	\$120	.0000	.0000	.0000	.0002	.0008	.0049	.0162	.0390	.0761
	\$250	.0000	.0000	.0000	.0002	.0008	.0041	.0127	.0296	.0571
	\$500	.0000	.0000	.0000	.0002	.0008	.0041	.0124	.0284	.0539
	\$1,000	.0000	.0000	.0000	.0002	.0008	.0041	.0124	.0284	.0539
66	\$120	.0000	.0000	.0000	.0002	.0007	.0042	.0147	.0366	.0731
	\$250	.0000	.0000	.0000	.0002	.0006	.0034	.0111	.0269	.0533
	\$500	.0000	.0000	.0000	.0002	.0006	.0034	.0108	.0255	.0498
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0034	.0108	.0255	.0498
67	\$120	.0000	.0000	.0000	.0001	.0005	.0036	.0134	.0344	.0701
	\$250	.0000	.0000	.0000	.0001	.0005	.0028	.0097	.0244	.0498
	\$500	.0000	.0000	.0000	.0001	.0005	.0027	.0092	.0228	.0459
	\$1,000	.0000	.0000	.0000	.0001	.0005	.0027	.0092	.0227	.0457
68	\$120	.0000	.0000	.0000	.0001	.0004	.0031	.0121	.0323	.0673
	\$250	.0000	.0000	.0000	.0001	.0003	.0023	.0084	.0220	.0463
	\$500	.0000	.0000	.0000	.0001	.0003	.0022	.0078	.0202	.0421
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0022	.0078	.0202	.0419
69	\$120	.0000	.0000	.0000	.0001	.0003	.0026	.0109	.0303	.0647
	\$250	.0000	.0000	.0000	.0001	.0002	.0018	.0072	.0198	.0430
	\$500	.0000	.0000	.0000	.0001	.0002	.0017	.0066	.0178	.0384
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0017	.0066	.0178	.0382
70	\$120	.0000	.0000	.0000	.0000	.0002	.0022	.0099	.0284	.0621
	\$250	.0000	.0000	.0000	.0000	.0002	.0014	.0061	.0177	.0399
	\$500	.0000	.0000	.0000	.0000	.0002	.0013	.0054	.0156	.0350
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0013	.0054	.0155	.0347
71	\$120	.0000	.0000	.0000	.0000	.0002	.0019	.0089	.0266	.0596
	\$250	.0000	.0000	.0000	.0000	.0001	.0011	.0051	.0158	.0369
	\$500	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0135	.0316
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0134	.0313
72	\$120	.0000	.0000	.0000	.0000	.0001	.0016	.0080	.0249	.0573
	\$250	.0000	.0000	.0000	.0000	.0001	.0008	.0043	.0140	.0341
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0035	.0116	.0286
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0007	.0035	.0115	.0281

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
73	\$120	.0000	.0000	.0000	.0000	.0001	.0013	.0072	.0234	.0553
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0036	.0125	.0316
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0100	.0258
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0098	.0253
74	\$120	.0000	.0000	.0000	.0000	.0001	.0012	.0067	.0225	.0540
	\$250	.0000	.0000	.0000	.0000	.0000	.0005	.0031	.0115	.0301
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0090	.0241
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0087	.0235

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-920 Hazard Group 2 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 2  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8627	.8442	.8279	.8131	.7995	.7868	.7749	.7637	.7530	.7429	.7332	.7238	.7148	.7062
2	.8572	.8377	.8204	.8047	.7902	.7768	.7642	.7523	.7410	.7302	.7199	.7100	.7005	.6913
3	.8519	.8313	.8129	.7963	.7810	.7668	.7535	.7409	.7290	.7176	.7067	.6963	.6862	.6765
4	.8467	.8249	.8055	.7880	.7719	.7569	.7428	.7296	.7170	.7050	.6935	.6825	.6719	.6617
5	.8415	.8185	.7982	.7797	.7628	.7470	.7322	.7183	.7050	.6924	.6803	.6688	.6577	.6470
6	.8363	.8123	.7909	.7715	.7537	.7372	.7216	.7070	.6931	.6799	.6672	.6551	.6435	.6323
7	.8313	.8061	.7837	.7634	.7448	.7274	.7112	.6958	.6813	.6675	.6542	.6416	.6294	.6177
8	.8263	.7999	.7765	.7553	.7358	.7177	.7007	.6847	.6695	.6551	.6413	.6281	.6154	.6033
9	.8214	.7939	.7695	.7473	.7270	.7081	.6903	.6736	.6578	.6428	.6284	.6147	.6015	.5889
10	.8165	.7879	.7624	.7394	.7182	.6985	.6800	.6626	.6462	.6305	.6156	.6014	.5877	.5746
11	.8117	.7819	.7555	.7315	.7094	.6889	.6697	.6516	.6346	.6183	.6029	.5881	.5740	.5605
12	.8070	.7760	.7485	.7236	.7007	.6794	.6595	.6407	.6230	.6062	.5902	.5750	.5604	.5464
13	.8023	.7702	.7416	.7157	.6920	.6699	.6492	.6298	.6115	.5941	.5776	.5619	.5468	.5325
14	.7976	.7643	.7348	.7079	.6833	.6604	.6390	.6190	.6000	.5821	.5651	.5489	.5334	.5186
15	.7930	.7586	.7279	.7002	.6746	.6510	.6289	.6082	.5886	.5701	.5526	.5359	.5200	.5049
16	.7885	.7528	.7211	.6924	.6660	.6416	.6188	.5974	.5773	.5582	.5402	.5231	.5068	.4913
17	.7839	.7471	.7144	.6847	.6574	.6322	.6087	.5867	.5659	.5464	.5279	.5103	.4937	.4778
18	.7795	.7415	.7076	.6770	.6489	.6229	.5986	.5760	.5547	.5346	.5156	.4977	.4806	.4644
19	.7750	.7358	.7009	.6693	.6403	.6135	.5886	.5653	.5435	.5229	.5035	.4851	.4677	.4511
20	.7706	.7302	.6942	.6617	.6318	.6042	.5786	.5547	.5323	.5112	.4914	.4726	.4549	.4380
21	.7663	.7246	.6876	.6540	.6233	.5949	.5686	.5441	.5212	.4996	.4793	.4602	.4421	.4250
22	.7619	.7191	.6809	.6464	.6148	.5857	.5587	.5336	.5101	.4881	.4674	.4479	.4295	.4121
23	.7576	.7135	.6743	.6388	.6063	.5764	.5488	.5231	.4991	.4766	.4555	.4356	.4170	.3993
24	.7534	.7080	.6677	.6312	.5979	.5672	.5389	.5126	.4881	.4651	.4437	.4235	.4045	.3866
25	.7491	.7025	.6611	.6236	.5894	.5580	.5290	.5021	.4771	.4538	.4319	.4114	.3922	.3740
26	.7449	.6971	.6545	.6160	.5810	.5488	.5192	.4917	.4662	.4424	.4202	.3994	.3799	.3616
27	.7408	.6917	.6479	.6085	.5726	.5397	.5094	.4814	.4554	.4312	.4086	.3875	.3678	.3492
28	.7366	.6862	.6414	.6010	.5642	.5305	.4996	.4710	.4446	.4200	.3971	.3757	.3557	.3369
29	.7326	.6809	.6349	.5935	.5558	.5214	.4898	.4607	.4338	.4088	.3856	.3639	.3437	.3248
30	.7285	.6755	.6284	.5860	.5475	.5123	.4801	.4505	.4231	.3977	.3742	.3522	.3318	.3127
31	.7245	.6702	.6219	.5785	.5392	.5033	.4704	.4403	.4124	.3867	.3628	.3407	.3200	.3007

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
32	.7205	.6649	.6155	.5711	.5308	.4942	.4607	.4300	.4018	.3757	.3515	.3291	.3082	.2888
33	.7166	.6597	.6091	.5637	.5226	.4852	.4511	.4199	.3912	.3647	.3403	.3176	.2966	.2770
34	.7127	.6545	.6027	.5563	.5143	.4762	.4415	.4097	.3806	.3538	.3290	.3061	.2849	.2652
35	.7089	.6493	.5964	.5489	.5060	.4672	.4319	.3996	.3701	.3429	.3179	.2947	.2733	.2535
36	.7051	.6442	.5900	.5415	.4978	.4582	.4223	.3895	.3595	.3320	.3067	.2833	.2618	.2419
37	.7014	.6391	.5837	.5342	.4896	.4492	.4127	.3794	.3490	.3211	.2955	.2720	.2504	.2304
38	.6977	.6341	.5775	.5269	.4814	.4403	.4031	.3693	.3384	.3103	.2844	.2608	.2391	.2191
39	.6941	.6291	.5713	.5196	.4732	.4314	.3936	.3592	.3280	.2995	.2734	.2497	.2279	.2081
40	.6906	.6242	.5652	.5124	.4651	.4226	.3841	.3493	.3176	.2888	.2626	.2387	.2170	.1972
41	.6872	.6194	.5592	.5054	.4571	.4138	.3747	.3394	.3073	.2783	.2519	.2280	.2063	.1866
42	.6838	.6147	.5532	.4984	.4492	.4051	.3654	.3296	.2972	.2679	.2414	.2175	.1959	.1763
43	.6806	.6101	.5474	.4915	.4414	.3966	.3562	.3199	.2871	.2577	.2311	.2072	.1857	.1663
44	.6775	.6056	.5417	.4847	.4337	.3881	.3471	.3103	.2773	.2476	.2210	.1972	.1758	.1566
45	.6744	.6013	.5361	.4780	.4261	.3797	.3381	.3009	.2676	.2378	.2112	.1874	.1661	.1472
46	.6715	.5970	.5306	.4714	.4186	.3714	.3292	.2916	.2580	.2281	.2015	.1778	.1568	.1381
47	.6687	.5928	.5252	.4649	.4111	.3631	.3204	.2824	.2486	.2186	.1920	.1685	.1477	.1294
48	.6660	.5888	.5199	.4585	.4037	.3550	.3117	.2734	.2394	.2093	.1828	.1594	.1389	.1209
49	.6634	.5848	.5147	.4521	.3964	.3470	.3032	.2644	.2302	.2002	.1737	.1506	.1304	.1127
50	.6608	.5810	.5096	.4459	.3892	.3390	.2947	.2556	.2213	.1912	.1649	.1420	.1221	.1048
51	.6584	.5773	.5045	.4397	.3821	.3312	.2863	.2469	.2124	.1824	.1563	.1336	.1141	.0972
52	.6561	.5736	.4996	.4336	.3751	.3234	.2780	.2383	.2038	.1738	.1479	.1255	.1063	.0899
53	.6539	.5701	.4948	.4276	.3681	.3157	.2698	.2299	.1952	.1653	.1396	.1176	.0989	.0829
54	.6518	.5667	.4901	.4217	.3613	.3081	.2618	.2216	.1869	.1571	.1316	.1100	.0917	.0762
55	.6498	.5634	.4855	.4159	.3545	.3006	.2538	.2134	.1786	.1490	.1238	.1026	.0847	.0698
56	.6479	.5602	.4809	.4102	.3478	.2932	.2459	.2053	.1705	.1411	.1163	.0954	.0781	.0637
57	.6461	.5571	.4766	.4047	.3412	.2859	.2382	.1973	.1626	.1334	.1089	.0885	.0717	.0579
58	.6444	.5542	.4723	.3992	.3348	.2787	.2305	.1895	.1548	.1258	.1018	.0819	.0656	.0523
59	.6428	.5513	.4682	.3938	.3284	.2716	.2230	.1818	.1472	.1185	.0948	.0755	.0598	.0471
60	.6413	.5486	.4642	.3886	.3222	.2647	.2156	.1742	.1398	.1114	.0882	.0694	.0543	.0422
61	.6400	.5461	.4603	.3835	.3160	.2578	.2083	.1668	.1325	.1044	.0817	.0635	.0490	.0376
62	.6387	.5437	.4566	.3785	.3100	.2510	.2011	.1596	.1254	.0977	.0755	.0579	.0441	.0334
63	.6376	.5414	.4530	.3737	.3041	.2444	.1941	.1524	.1185	.0912	.0696	.0526	.0395	.0294
64	.6365	.5393	.4496	.3690	.2984	.2379	.1872	.1455	.1117	.0849	.0639	.0476	.0352	.0258
65	.6356	.5373	.4463	.3645	.2928	.2315	.1804	.1387	.1052	.0789	.0585	.0429	.0312	.0224
66	.6348	.5354	.4432	.3601	.2873	.2253	.1738	.1321	.0989	.0731	.0533	.0385	.0275	.0194
67	.6340	.5338	.4403	.3559	.2820	.2192	.1673	.1256	.0928	.0675	.0485	.0344	.0241	.0167
68	.6334	.5322	.4376	.3519	.2768	.2133	.1610	.1194	.0869	.0623	.0439	.0306	.0210	.0142
69	.6328	.5308	.4350	.3480	.2718	.2074	.1549	.1133	.0812	.0572	.0396	.0270	.0182	.0121
70	.6324	.5296	.4326	.3443	.2669	.2018	.1489	.1074	.0758	.0525	.0357	.0238	.0157	.0102
71	.6320	.5284	.4303	.3406	.2621	.1962	.1429	.1016	.0705	.0479	.0319	.0208	.0134	.0085
72	.6317	.5275	.4282	.3373	.2577	.1909	.1374	.0962	.0657	.0438	.0286	.0183	.0115	.0071
73	.6315	.5267	.4265	.3343	.2535	.1860	.1323	.0913	.0613	.0401	.0256	.0160	.0098	.0059
74	.6313	.5262	.4254	.3325	.2509	.1829	.1290	.0882	.0585	.0378	.0239	.0147	.0089	.0053

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 2  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0321	.0674	.1058	.1464	.2317	.3202	.4109	.5031
2	.0000	.0304	.0646	.1023	.1422	.2262	.3137	.4034	.4947

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
3	.0000	.0288	.0620	.0989	.1382	.2209	.3073	.3959	.4863
4	.0000	.0272	.0595	.0956	.1342	.2157	.3009	.3885	.4780
5	.0000	.0257	.0570	.0924	.1303	.2105	.2945	.3812	.4697
6	.0000	.0243	.0547	.0893	.1264	.2053	.2883	.3739	.4615
7	.0000	.0229	.0525	.0863	.1227	.2003	.2821	.3667	.4534
8	.0000	.0216	.0503	.0834	.1190	.1953	.2759	.3595	.4453
9	.0000	.0204	.0483	.0805	.1154	.1904	.2699	.3525	.4373
10	.0000	.0192	.0462	.0777	.1119	.1855	.2639	.3454	.4294
11	.0000	.0181	.0443	.0749	.1084	.1807	.2579	.3385	.4215
12	.0000	.0171	.0424	.0722	.1050	.1760	.2520	.3315	.4136
13	.0000	.0161	.0406	.0696	.1016	.1713	.2462	.3246	.4057
14	.0000	.0152	.0388	.0670	.0983	.1666	.2403	.3178	.3979
15	.0000	.0143	.0370	.0645	.0950	.1620	.2346	.3109	.3902
16	.0000	.0134	.0353	.0620	.0917	.1575	.2288	.3041	.3824
17	.0000	.0126	.0337	.0595	.0886	.1529	.2231	.2974	.3747
18	.0000	.0118	.0321	.0572	.0854	.1485	.2175	.2906	.3670
19	.0000	.0110	.0305	.0548	.0823	.1440	.2118	.2839	.3593
20	.0000	.0103	.0290	.0525	.0793	.1396	.2062	.2772	.3517
21	.0000	.0096	.0275	.0502	.0763	.1353	.2006	.2706	.3440
22	.0000	.0089	.0261	.0480	.0733	.1309	.1951	.2639	.3364
23	.0000	.0083	.0246	.0458	.0704	.1266	.1895	.2573	.3288
24	.0000	.0077	.0233	.0437	.0675	.1224	.1840	.2507	.3212
25	.0000	.0071	.0220	.0416	.0647	.1181	.1785	.2441	.3136
26	.0000	.0066	.0207	.0396	.0619	.1139	.1731	.2375	.3060
27	.0000	.0061	.0194	.0376	.0591	.1098	.1677	.2309	.2985
28	.0000	.0056	.0182	.0356	.0564	.1056	.1622	.2244	.2910
29	.0000	.0051	.0171	.0337	.0538	.1016	.1569	.2179	.2835
30	.0000	.0047	.0159	.0318	.0512	.0975	.1515	.2114	.2760
31	.0000	.0043	.0149	.0300	.0486	.0935	.1462	.2049	.2685
32	.0000	.0039	.0138	.0282	.0461	.0895	.1409	.1985	.2611
33	.0000	.0035	.0128	.0265	.0436	.0856	.1357	.1921	.2537
34	.0000	.0032	.0118	.0248	.0412	.0817	.1305	.1857	.2463
35	.0000	.0029	.0109	.0232	.0388	.0779	.1253	.1794	.2389
36	.0000	.0026	.0100	.0216	.0365	.0741	.1202	.1730	.2315
37	.0000	.0023	.0092	.0201	.0342	.0704	.1151	.1667	.2242
38	.0000	.0020	.0084	.0186	.0320	.0667	.1101	.1605	.2169
39	.0000	.0018	.0076	.0171	.0298	.0631	.1051	.1543	.2096
40	.0000	.0016	.0069	.0158	.0278	.0596	.1002	.1482	.2024
41	.0000	.0014	.0062	.0145	.0258	.0562	.0954	.1422	.1954
42	.0000	.0012	.0056	.0133	.0239	.0528	.0907	.1362	.1884
43	.0000	.0010	.0050	.0121	.0221	.0496	.0861	.1304	.1815
44	.0000	.0009	.0045	.0110	.0203	.0465	.0816	.1247	.1747
45	.0000	.0008	.0040	.0100	.0186	.0434	.0773	.1191	.1680
46	.0000	.0007	.0035	.0090	.0171	.0405	.0730	.1136	.1614
47	.0000	.0006	.0031	.0081	.0156	.0377	.0688	.1082	.1549
48	.0000	.0005	.0027	.0073	.0142	.0350	.0648	.1029	.1485

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
49	.0000	.0004	.0024	.0065	.0128	.0324	.0608	.0977	.1421
50	.0000	.0003	.0021	.0057	.0115	.0298	.0570	.0926	.1359
51	.0000	.0003	.0018	.0050	.0104	.0274	.0533	.0875	.1297
52	.0000	.0002	.0015	.0044	.0092	.0251	.0496	.0826	.1236
53	.0000	.0002	.0013	.0039	.0082	.0229	.0461	.0778	.1176
54	.0000	.0001	.0011	.0033	.0072	.0208	.0427	.0731	.1117
55	.0000	.0001	.0009	.0029	.0063	.0188	.0394	.0685	.1059
56	.0000	.0001	.0007	.0024	.0055	.0169	.0362	.0639	.1002
57	.0000	.0001	.0006	.0020	.0048	.0151	.0331	.0596	.0947
58	.0000	.0001	.0005	.0017	.0041	.0134	.0302	.0553	.0892
59	.0000	.0000	.0004	.0014	.0035	.0118	.0273	.0512	.0838
60	.0000	.0000	.0003	.0011	.0029	.0103	.0246	.0472	.0786
61	.0000	.0000	.0002	.0009	.0024	.0090	.0221	.0433	.0735
62	.0000	.0000	.0002	.0007	.0020	.0077	.0197	.0396	.0685
63	.0000	.0000	.0001	.0006	.0016	.0066	.0174	.0360	.0637
64	.0000	.0000	.0001	.0004	.0013	.0055	.0153	.0326	.0590
65	.0000	.0000	.0001	.0003	.0010	.0046	.0133	.0293	.0545
66	.0000	.0000	.0000	.0002	.0007	.0038	.0114	.0262	.0501
67	.0000	.0000	.0000	.0002	.0006	.0030	.0098	.0233	.0459
68	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0206	.0419
69	.0000	.0000	.0000	.0001	.0003	.0018	.0068	.0180	.0380
70	.0000	.0000	.0000	.0000	.0002	.0014	.0056	.0156	.0343
71	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0133	.0306
72	.0000	.0000	.0000	.0000	.0001	.0007	.0035	.0112	.0273
73	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0095	.0243
74	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0084	.0225

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 2  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.6903	.6237	.5645	.5116	.4641	.4222	.3871	.3577	.3330	.3122	.2946	.2797	.2672	.2569
41	\$120	.6868	.6189	.5585	.5045	.4562	.4148	.3801	.3510	.3266	.3061	.2888	.2744	.2624	.2527
42	\$120	.6835	.6142	.5525	.4975	.4488	.4078	.3734	.3446	.3205	.3002	.2833	.2694	.2581	.2489
43	\$120	.6803	.6096	.5467	.4906	.4420	.4012	.3670	.3384	.3145	.2946	.2782	.2648	.2541	.2454
44	\$120	.6772	.6052	.5410	.4841	.4355	.3948	.3608	.3324	.3087	.2892	.2734	.2606	.2503	.2421
45	\$120	.6742	.6008	.5354	.4780	.4294	.3887	.3547	.3265	.3031	.2842	.2689	.2566	.2468	.2391
46	\$120	.6712	.5965	.5300	.4722	.4235	.3828	.3489	.3208	.2979	.2794	.2646	.2529	.2436	.2363
47	\$120	.6684	.5924	.5248	.4667	.4178	.3770	.3431	.3153	.2928	.2749	.2606	.2494	.2405	.2337
48	\$120	.6657	.5883	.5199	.4614	.4123	.3713	.3375	.3101	.2881	.2706	.2568	.2461	.2378	.2314
49	\$120	.6631	.5844	.5153	.4563	.4068	.3657	.3321	.3051	.2835	.2665	.2533	.2430	.2352	.2292
50	\$120	.6606	.5807	.5108	.4514	.4015	.3603	.3269	.3002	.2791	.2626	.2499	.2402	.2328	.2272
	\$250	.6608	.5809	.5094	.4456	.3889	.3387	.2951	.2576	.2257	.1986	.1758	.1566	.1405	.1271
51	\$120	.6582	.5772	.5065	.4465	.3963	.3551	.3219	.2956	.2749	.2590	.2468	.2375	.2306	.2254

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$250	.6584	.5772	.5044	.4394	.3818	.3312	.2874	.2501	.2184	.1916	.1692	.1504	.1349	.1220
52	\$120	.6559	.5738	.5024	.4418	.3912	.3501	.3171	.2911	.2709	.2555	.2438	.2351	.2286	.2238
	\$250	.6561	.5735	.4994	.4334	.3748	.3239	.2800	.2428	.2113	.1849	.1628	.1446	.1295	.1173
53	\$120	.6537	.5706	.4984	.4371	.3863	.3451	.3124	.2868	.2671	.2522	.2410	.2328	.2267	.2224
	\$250	.6539	.5700	.4946	.4274	.3681	.3168	.2728	.2356	.2044	.1783	.1567	.1389	.1245	.1128
54	\$120	.6516	.5676	.4945	.4326	.3815	.3404	.3078	.2827	.2635	.2491	.2384	.2307	.2250	.2210
	\$250	.6517	.5666	.4899	.4216	.3616	.3099	.2658	.2287	.1976	.1719	.1508	.1336	.1197	.1086
55	\$120	.6497	.5647	.4907	.4282	.3769	.3357	.3034	.2787	.2600	.2461	.2360	.2287	.2235	.2198
	\$250	.6497	.5633	.4853	.4159	.3553	.3032	.2590	.2219	.1911	.1658	.1452	.1285	.1152	.1047
56	\$120	.6479	.5619	.4870	.4239	.3723	.3312	.2992	.2748	.2567	.2434	.2337	.2269	.2221	.2188
	\$250	.6478	.5601	.4808	.4104	.3491	.2966	.2523	.2153	.1847	.1598	.1398	.1237	.1110	.1010
57	\$120	.6463	.5592	.4835	.4198	.3679	.3268	.2951	.2712	.2535	.2408	.2316	.2253	.2208	.2178
	\$250	.6461	.5570	.4765	.4051	.3432	.2903	.2457	.2088	.1786	.1541	.1346	.1191	.1070	.0976
58	\$120	.6447	.5567	.4800	.4157	.3636	.3225	.2911	.2677	.2505	.2383	.2297	.2238	.2197	.2170
	\$250	.6444	.5541	.4724	.4000	.3373	.2840	.2393	.2025	.1726	.1487	.1297	.1148	.1033	.0944
	\$500	.6444	.5541	.4723	.3991	.3347	.2787	.2305	.1896	.1551	.1265	.1029	.0835	.0677	.0551
59	\$120	.6433	.5543	.4767	.4118	.3593	.3184	.2873	.2643	.2477	.2360	.2279	.2224	.2187	.2162
	\$250	.6428	.5513	.4684	.3951	.3316	.2778	.2331	.1964	.1669	.1434	.1250	.1107	.0998	.0915
	\$500	.6428	.5513	.4681	.3938	.3283	.2716	.2230	.1820	.1477	.1194	.0963	.0775	.0623	.0503
60	\$120	.6420	.5520	.4735	.4080	.3553	.3143	.2836	.2611	.2450	.2339	.2262	.2211	.2178	.2156
	\$250	.6413	.5486	.4646	.3903	.3261	.2719	.2270	.1905	.1613	.1383	.1205	.1069	.0965	.0888
	\$500	.6413	.5486	.4641	.3885	.3221	.2647	.2157	.1746	.1405	.1126	.0899	.0717	.0572	.0458
61	\$120	.6407	.5498	.4704	.4043	.3513	.3104	.2800	.2580	.2425	.2319	.2247	.2200	.2170	.2150
	\$250	.6399	.5461	.4609	.3856	.3207	.2660	.2210	.1847	.1559	.1335	.1163	.1032	.0935	.0863
	\$500	.6400	.5461	.4603	.3834	.3160	.2579	.2086	.1674	.1335	.1060	.0839	.0663	.0524	.0416
62	\$120	.6396	.5477	.4675	.4007	.3474	.3067	.2766	.2551	.2401	.2300	.2233	.2190	.2162	.2145
	\$250	.6387	.5438	.4574	.3811	.3154	.2603	.2152	.1791	.1507	.1289	.1123	.0999	.0907	.0841
	\$500	.6387	.5437	.4565	.3785	.3100	.2512	.2016	.1604	.1267	.0996	.0780	.0611	.0479	.0378
63	\$120	.6385	.5457	.4646	.3972	.3437	.3030	.2733	.2523	.2379	.2283	.2221	.2181	.2156	.2141
	\$250	.6376	.5416	.4541	.3767	.3102	.2547	.2096	.1737	.1457	.1244	.1085	.0967	.0881	.0820
	\$500	.6376	.5414	.4530	.3737	.3042	.2447	.1947	.1535	.1201	.0934	.0725	.0562	.0437	.0342
64	\$120	.6376	.5439	.4619	.3938	.3401	.2995	.2702	.2497	.2358	.2267	.2209	.2173	.2151	.2137
	\$250	.6365	.5396	.4509	.3725	.3052	.2493	.2041	.1684	.1410	.1202	.1049	.0938	.0858	.0802
	\$500	.6365	.5393	.4496	.3690	.2985	.2383	.1880	.1468	.1137	.0875	.0672	.0516	.0398	.0309
	\$1,000	.6365	.5393	.4496	.3690	.2984	.2379	.1872	.1455	.1117	.0849	.0639	.0476	.0352	.0258
65	\$120	.6367	.5421	.4592	.3905	.3365	.2961	.2671	.2472	.2339	.2253	.2199	.2166	.2146	.2134
	\$250	.6356	.5377	.4479	.3684	.3004	.2440	.1988	.1634	.1364	.1163	.1016	.0911	.0837	.0785
	\$500	.6356	.5373	.4463	.3645	.2930	.2321	.1814	.1403	.1075	.0818	.0621	.0472	.0361	.0280
	\$1,000	.6356	.5373	.4463	.3645	.2928	.2315	.1804	.1387	.1052	.0789	.0585	.0429	.0312	.0225
66	\$120	.6360	.5405	.4567	.3874	.3332	.2929	.2643	.2448	.2321	.2240	.2190	.2160	.2142	.2132
	\$250	.6348	.5360	.4451	.3645	.2957	.2389	.1936	.1585	.1320	.1125	.0985	.0886	.0817	.0771
	\$500	.6348	.5354	.4433	.3602	.2877	.2260	.1750	.1339	.1015	.0764	.0574	.0432	.0328	.0253
	\$1,000	.6348	.5354	.4432	.3601	.2873	.2253	.1738	.1321	.0989	.0731	.0534	.0385	.0275	.0195
67	\$120	.6353	.5390	.4543	.3844	.3299	.2897	.2616	.2426	.2304	.2228	.2181	.2154	.2138	.2129
	\$250	.6341	.5344	.4424	.3608	.2912	.2340	.1886	.1538	.1278	.1090	.0956	.0863	.0800	.0758
	\$500	.6340	.5338	.4404	.3561	.2825	.2201	.1688	.1278	.0957	.0712	.0529	.0394	.0297	.0228
	\$1,000	.6340	.5338	.4403	.3559	.2820	.2192	.1674	.1256	.0928	.0676	.0485	.0344	.0241	.0167
68	\$120	.6346	.5376	.4521	.3815	.3267	.2867	.2590	.2406	.2289	.2217	.2174	.2149	.2135	.2128
	\$250	.6335	.5329	.4399	.3572	.2868	.2292	.1838	.1493	.1239	.1057	.0929	.0843	.0785	.0747
	\$500	.6334	.5322	.4376	.3521	.2774	.2143	.1628	.1218	.0902	.0663	.0487	.0360	.0270	.0207
	\$1,000	.6334	.5322	.4376	.3519	.2768	.2133	.1611	.1194	.0869	.0623	.0440	.0306	.0210	.0143
69	\$120	.6341	.5362	.4499	.3787	.3237	.2839	.2565	.2386	.2274	.2207	.2167	.2145	.2133	.2126
	\$250	.6330	.5316	.4375	.3538	.2825	.2245	.1791	.1450	.1201	.1025	.0905	.0824	.0771	.0737

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$500	.6328	.5309	.4351	.3483	.2725	.2087	.1569	.1160	.0848	.0616	.0448	.0328	.0244	.0187
	\$1,000	.6328	.5308	.4350	.3480	.2718	.2074	.1549	.1133	.0813	.0573	.0397	.0271	.0183	.0121
70	\$120	.6336	.5350	.4478	.3760	.3208	.2811	.2542	.2368	.2261	.2198	.2161	.2141	.2130	.2125
	\$250	.6325	.5304	.4353	.3505	.2784	.2200	.1747	.1409	.1166	.0996	.0882	.0807	.0759	.0728
	\$500	.6324	.5296	.4327	.3447	.2678	.2033	.1511	.1105	.0798	.0572	.0411	.0299	.0222	.0171
	\$1,000	.6324	.5296	.4326	.3443	.2669	.2018	.1489	.1074	.0759	.0525	.0357	.0239	.0158	.0103
71	\$120	.6332	.5339	.4459	.3734	.3180	.2785	.2519	.2351	.2249	.2190	.2156	.2138	.2129	.2124
	\$250	.6322	.5294	.4332	.3473	.2744	.2156	.1702	.1368	.1131	.0969	.0861	.0791	.0748	.0721
	\$500	.6320	.5285	.4305	.3411	.2631	.1979	.1455	.1050	.0748	.0530	.0377	.0272	.0202	.0156
	\$1,000	.6320	.5284	.4303	.3406	.2621	.1962	.1430	.1016	.0706	.0480	.0320	.0209	.0135	.0086
72	\$120	.6328	.5329	.4441	.3710	.3154	.2760	.2499	.2336	.2238	.2182	.2152	.2135	.2127	.2123
	\$250	.6319	.5284	.4313	.3444	.2707	.2115	.1662	.1332	.1100	.0944	.0843	.0778	.0739	.0715
	\$500	.6317	.5276	.4285	.3379	.2588	.1928	.1402	.1000	.0703	.0492	.0346	.0248	.0184	.0143
	\$1,000	.6317	.5275	.4283	.3373	.2577	.1909	.1374	.0963	.0657	.0439	.0286	.0184	.0116	.0072
73	\$120	.6325	.5320	.4424	.3688	.3130	.2738	.2481	.2322	.2229	.2176	.2148	.2133	.2126	.2122
	\$250	.6316	.5277	.4296	.3417	.2673	.2077	.1625	.1298	.1073	.0923	.0827	.0767	.0731	.0710
	\$500	.6315	.5268	.4267	.3350	.2548	.1882	.1353	.0953	.0662	.0458	.0319	.0228	.0170	.0133
	\$1,000	.6315	.5267	.4265	.3343	.2535	.1860	.1323	.0913	.0613	.0402	.0257	.0161	.0099	.0060
74	\$120	.6323	.5315	.4414	.3674	.3115	.2725	.2470	.2314	.2223	.2173	.2146	.2132	.2125	.2122
	\$250	.6315	.5272	.4286	.3401	.2651	.2053	.1601	.1277	.1056	.0910	.0817	.0760	.0726	.0707
	\$500	.6314	.5263	.4257	.3332	.2523	.1852	.1323	.0924	.0636	.0437	.0303	.0216	.0161	.0127
	\$1,000	.6313	.5262	.4254	.3325	.2509	.1830	.1291	.0882	.0586	.0379	.0240	.0148	.0090	.0054

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 2  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	50%
40	\$120	.0000	.0016	.0069	.0157	.0276	.0593	.0997	.1475	.2016
41	\$120	.0000	.0014	.0062	.0144	.0256	.0558	.0949	.1415	.1945
42	\$120	.0000	.0012	.0056	.0132	.0237	.0525	.0902	.1355	.1875
43	\$120	.0000	.0010	.0050	.0120	.0219	.0493	.0856	.1297	.1806
44	\$120	.0000	.0009	.0045	.0109	.0202	.0462	.0812	.1240	.1741
45	\$120	.0000	.0008	.0040	.0099	.0185	.0432	.0768	.1184	.1680
46	\$120	.0000	.0006	.0035	.0089	.0169	.0402	.0725	.1130	.1622
47	\$120	.0000	.0006	.0031	.0080	.0154	.0374	.0684	.1078	.1567
48	\$120	.0000	.0005	.0027	.0072	.0140	.0347	.0643	.1029	.1514
49	\$120	.0000	.0004	.0024	.0064	.0127	.0321	.0604	.0983	.1463
50	\$120	.0000	.0003	.0020	.0057	.0114	.0296	.0567	.0938	.1414
	\$250	.0000	.0003	.0021	.0057	.0115	.0298	.0569	.0924	.1356
51	\$120	.0000	.0003	.0018	.0050	.0103	.0272	.0532	.0895	.1365
	\$250	.0000	.0003	.0018	.0050	.0103	.0274	.0532	.0874	.1294
52	\$120	.0000	.0002	.0015	.0044	.0091	.0249	.0498	.0854	.1318
	\$250	.0000	.0002	.0015	.0044	.0092	.0251	.0495	.0824	.1234
53	\$120	.0000	.0002	.0013	.0038	.0081	.0227	.0466	.0814	.1271
	\$250	.0000	.0002	.0013	.0038	.0082	.0229	.0460	.0776	.1174

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	50%
54	\$120	.0000	.0001	.0011	.0033	.0072	.0206	.0436	.0775	.1226
	\$250	.0000	.0001	.0011	.0033	.0072	.0207	.0426	.0729	.1116
55	\$120	.0000	.0001	.0009	.0028	.0063	.0187	.0407	.0737	.1182
	\$250	.0000	.0001	.0009	.0028	.0063	.0187	.0393	.0683	.1059
56	\$120	.0000	.0001	.0007	.0024	.0054	.0169	.0379	.0700	.1139
	\$250	.0000	.0001	.0007	.0024	.0055	.0168	.0361	.0638	.1004
57	\$120	.0000	.0001	.0006	.0020	.0047	.0153	.0352	.0665	.1098
	\$250	.0000	.0001	.0006	.0020	.0047	.0151	.0330	.0595	.0951
58	\$120	.0000	.0001	.0005	.0017	.0040	.0137	.0327	.0630	.1057
	\$250	.0000	.0001	.0005	.0017	.0041	.0134	.0301	.0554	.0900
	\$500	.0000	.0001	.0005	.0017	.0041	.0134	.0301	.0553	.0891
59	\$120	.0000	.0000	.0004	.0014	.0034	.0123	.0303	.0597	.1018
	\$250	.0000	.0000	.0004	.0014	.0034	.0118	.0273	.0514	.0851
	\$500	.0000	.0000	.0004	.0014	.0035	.0118	.0273	.0511	.0838
60	\$120	.0000	.0000	.0003	.0011	.0029	.0110	.0280	.0565	.0980
	\$250	.0000	.0000	.0003	.0011	.0029	.0103	.0246	.0476	.0803
	\$500	.0000	.0000	.0003	.0011	.0029	.0103	.0246	.0471	.0785
61	\$120	.0000	.0000	.0002	.0009	.0024	.0097	.0258	.0534	.0943
	\$250	.0000	.0000	.0002	.0009	.0024	.0089	.0221	.0439	.0756
	\$500	.0000	.0000	.0002	.0009	.0024	.0090	.0221	.0433	.0734
62	\$120	.0000	.0000	.0002	.0007	.0020	.0086	.0237	.0505	.0907
	\$250	.0000	.0000	.0002	.0007	.0020	.0077	.0198	.0404	.0711
	\$500	.0000	.0000	.0002	.0007	.0020	.0077	.0197	.0395	.0685
63	\$120	.0000	.0000	.0001	.0006	.0016	.0075	.0217	.0476	.0872
	\$250	.0000	.0000	.0001	.0006	.0016	.0066	.0176	.0371	.0667
	\$500	.0000	.0000	.0001	.0006	.0016	.0066	.0174	.0360	.0637
64	\$120	.0000	.0000	.0001	.0004	.0013	.0066	.0199	.0449	.0838
	\$250	.0000	.0000	.0001	.0004	.0013	.0055	.0156	.0339	.0625
	\$500	.0000	.0000	.0001	.0004	.0013	.0055	.0153	.0326	.0590
	\$1,000	.0000	.0000	.0001	.0004	.0013	.0055	.0153	.0326	.0590
65	\$120	.0000	.0000	.0001	.0003	.0011	.0057	.0181	.0422	.0805
	\$250	.0000	.0000	.0001	.0003	.0010	.0046	.0137	.0309	.0584
	\$500	.0000	.0000	.0001	.0003	.0010	.0046	.0133	.0293	.0545
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0046	.0133	.0293	.0545
66	\$120	.0000	.0000	.0000	.0002	.0009	.0050	.0165	.0397	.0774
	\$250	.0000	.0000	.0000	.0002	.0007	.0038	.0120	.0281	.0545
	\$500	.0000	.0000	.0000	.0002	.0007	.0038	.0114	.0263	.0502
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0038	.0114	.0262	.0501
67	\$120	.0000	.0000	.0000	.0002	.0007	.0043	.0150	.0373	.0744
	\$250	.0000	.0000	.0000	.0002	.0006	.0031	.0104	.0254	.0508
	\$500	.0000	.0000	.0000	.0002	.0006	.0030	.0098	.0234	.0461
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0030	.0098	.0233	.0459
68	\$120	.0000	.0000	.0000	.0001	.0005	.0036	.0136	.0351	.0715
	\$250	.0000	.0000	.0000	.0001	.0004	.0025	.0089	.0229	.0472
	\$500	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0206	.0421

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	50%
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0206	.0419
69	\$120	.0000	.0000	.0000	.0001	.0004	.0031	.0122	.0329	.0687
	\$250	.0000	.0000	.0000	.0001	.0003	.0020	.0076	.0205	.0438
	\$500	.0000	.0000	.0000	.0001	.0003	.0018	.0069	.0181	.0383
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0018	.0068	.0180	.0380
70	\$120	.0000	.0000	.0000	.0001	.0003	.0026	.0110	.0308	.0660
	\$250	.0000	.0000	.0000	.0000	.0002	.0015	.0064	.0183	.0405
	\$500	.0000	.0000	.0000	.0000	.0002	.0014	.0056	.0157	.0347
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0014	.0056	.0156	.0343
71	\$120	.0000	.0000	.0000	.0000	.0002	.0022	.0099	.0289	.0634
	\$250	.0000	.0000	.0000	.0000	.0001	.0012	.0054	.0162	.0373
	\$500	.0000	.0000	.0000	.0000	.0001	.0010	.0045	.0135	.0311
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0133	.0306
72	\$120	.0000	.0000	.0000	.0000	.0002	.0018	.0089	.0271	.0610
	\$250	.0000	.0000	.0000	.0000	.0001	.0009	.0044	.0143	.0344
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0036	.0115	.0279
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0007	.0035	.0113	.0273
73	\$120	.0000	.0000	.0000	.0000	.0001	.0015	.0080	.0254	.0588
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0037	.0126	.0317
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0097	.0250
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0095	.0243
74	\$120	.0000	.0000	.0000	.0000	.0001	.0013	.0075	.0244	.0574
	\$250	.0000	.0000	.0000	.0000	.0000	.0005	.0032	.0116	.0301
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0087	.0232
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0084	.0225

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 2  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9062	.8868	.8696	.8541	.8398	.8265	.8140	.8022	.7910	.7803	.7701	.7603	.7509	.7418
2	.9005	.8799	.8617	.8452	.8301	.8159	.8027	.7902	.7783	.7670	.7562	.7458	.7358	.7261
3	.8949	.8732	.8539	.8365	.8204	.8055	.7915	.7783	.7657	.7538	.7424	.7314	.7208	.7106
4	.8893	.8664	.8461	.8277	.8108	.7950	.7803	.7663	.7531	.7405	.7285	.7169	.7058	.6951
5	.8839	.8598	.8384	.8190	.8012	.7847	.7691	.7545	.7406	.7273	.7146	.7025	.6908	.6796
6	.8785	.8532	.8308	.8104	.7917	.7743	.7580	.7426	.7281	.7142	.7009	.6882	.6759	.6642
7	.8732	.8467	.8232	.8019	.7823	.7641	.7470	.7309	.7156	.7011	.6872	.6739	.6612	.6489
8	.8680	.8403	.8157	.7934	.7729	.7539	.7360	.7192	.7033	.6881	.6736	.6598	.6465	.6337
9	.8628	.8339	.8083	.7850	.7636	.7438	.7251	.7076	.6910	.6752	.6601	.6457	.6319	.6186
10	.8577	.8276	.8009	.7766	.7544	.7337	.7143	.6960	.6787	.6623	.6467	.6317	.6174	.6036
11	.8526	.8213	.7935	.7683	.7452	.7236	.7035	.6845	.6666	.6495	.6333	.6178	.6029	.5887
12	.8477	.8151	.7863	.7601	.7360	.7136	.6927	.6730	.6544	.6368	.6200	.6040	.5886	.5740
13	.8427	.8090	.7790	.7518	.7268	.7037	.6820	.6616	.6423	.6241	.6067	.5902	.5744	.5593
14	.8378	.8029	.7718	.7436	.7177	.6937	.6713	.6502	.6303	.6114	.5936	.5765	.5603	.5448
15	.8330	.7968	.7646	.7355	.7087	.6838	.6606	.6388	.6183	.5989	.5805	.5629	.5463	.5303

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
16	.8282	.7908	.7575	.7273	.6996	.6739	.6500	.6275	.6064	.5864	.5674	.5495	.5323	.5160
17	.8235	.7848	.7504	.7192	.6906	.6641	.6394	.6162	.5945	.5739	.5545	.5361	.5186	.5019
18	.8188	.7788	.7433	.7111	.6816	.6543	.6288	.6050	.5826	.5616	.5416	.5228	.5048	.4878
19	.8141	.7729	.7363	.7031	.6726	.6445	.6183	.5938	.5709	.5492	.5288	.5096	.4913	.4739
20	.8095	.7670	.7292	.6950	.6637	.6347	.6078	.5827	.5591	.5370	.5162	.4964	.4778	.4601
21	.8049	.7612	.7222	.6870	.6547	.6249	.5973	.5715	.5474	.5248	.5035	.4834	.4644	.4464
22	.8003	.7553	.7152	.6790	.6458	.6152	.5869	.5605	.5358	.5127	.4909	.4705	.4511	.4329
23	.7958	.7495	.7083	.6710	.6369	.6055	.5765	.5494	.5242	.5006	.4785	.4576	.4380	.4194
24	.7913	.7437	.7013	.6630	.6280	.5958	.5661	.5384	.5127	.4886	.4660	.4448	.4249	.4061
25	.7869	.7380	.6944	.6550	.6191	.5862	.5557	.5275	.5012	.4766	.4537	.4322	.4119	.3929
26	.7825	.7322	.6875	.6471	.6103	.5765	.5454	.5165	.4897	.4647	.4414	.4196	.3991	.3798
27	.7781	.7265	.6806	.6392	.6015	.5669	.5351	.5056	.4783	.4529	.4292	.4071	.3863	.3668
28	.7738	.7208	.6737	.6313	.5926	.5573	.5248	.4948	.4670	.4411	.4171	.3946	.3736	.3539
29	.7695	.7152	.6669	.6234	.5838	.5477	.5145	.4840	.4557	.4294	.4050	.3823	.3610	.3411
30	.7652	.7096	.6601	.6155	.5751	.5382	.5043	.4732	.4444	.4178	.3930	.3700	.3485	.3284
31	.7610	.7040	.6533	.6077	.5663	.5287	.4942	.4624	.4332	.4062	.3811	.3578	.3361	.3159
32	.7569	.6985	.6465	.5999	.5576	.5191	.4840	.4517	.4220	.3946	.3692	.3457	.3238	.3033
33	.7528	.6930	.6398	.5921	.5489	.5097	.4739	.4411	.4109	.3831	.3574	.3336	.3115	.2909
34	.7487	.6875	.6331	.5843	.5402	.5002	.4637	.4304	.3998	.3716	.3456	.3216	.2993	.2786
35	.7447	.6821	.6264	.5766	.5316	.4908	.4537	.4198	.3887	.3602	.3339	.3096	.2871	.2663
36	.7407	.6767	.6198	.5688	.5229	.4813	.4435	.4091	.3776	.3487	.3221	.2976	.2750	.2541
37	.7367	.6713	.6132	.5611	.5142	.4719	.4335	.3985	.3666	.3373	.3104	.2857	.2630	.2421
38	.7329	.6660	.6066	.5534	.5056	.4625	.4234	.3879	.3555	.3259	.2988	.2739	.2511	.2302
39	.7291	.6608	.6001	.5458	.4971	.4531	.4134	.3773	.3445	.3146	.2872	.2622	.2394	.2185
40	.7254	.6557	.5937	.5383	.4886	.4439	.4035	.3669	.3336	.3034	.2758	.2508	.2279	.2071
41	.7218	.6506	.5873	.5308	.4802	.4347	.3936	.3565	.3228	.2923	.2646	.2395	.2167	.1960
42	.7183	.6457	.5811	.5235	.4719	.4256	.3838	.3462	.3121	.2814	.2536	.2284	.2057	.1852
43	.7149	.6409	.5750	.5163	.4637	.4166	.3742	.3360	.3016	.2707	.2428	.2176	.1950	.1747
44	.7116	.6362	.5690	.5091	.4556	.4076	.3646	.3260	.2913	.2601	.2322	.2071	.1846	.1645
45	.7084	.6316	.5631	.5021	.4476	.3988	.3552	.3161	.2811	.2498	.2218	.1968	.1745	.1546
46	.7054	.6271	.5574	.4952	.4397	.3901	.3458	.3063	.2710	.2396	.2117	.1868	.1647	.1451
47	.7024	.6227	.5517	.4883	.4318	.3815	.3366	.2966	.2612	.2296	.2017	.1770	.1552	.1359
48	.6996	.6185	.5461	.4816	.4241	.3729	.3275	.2871	.2514	.2199	.1920	.1675	.1459	.1270
49	.6968	.6143	.5406	.4749	.4164	.3645	.3184	.2777	.2418	.2103	.1825	.1582	.1369	.1184
50	.6942	.6103	.5353	.4683	.4088	.3561	.3095	.2685	.2324	.2008	.1732	.1492	.1282	.1101
51	.6916	.6064	.5300	.4619	.4014	.3479	.3007	.2594	.2232	.1916	.1642	.1404	.1198	.1021
52	.6892	.6026	.5248	.4555	.3940	.3397	.2920	.2503	.2140	.1825	.1553	.1319	.1117	.0944
53	.6869	.5988	.5197	.4492	.3867	.3316	.2834	.2415	.2051	.1737	.1467	.1236	.1038	.0871
54	.6847	.5953	.5148	.4430	.3795	.3237	.2750	.2327	.1963	.1650	.1383	.1156	.0963	.0800
55	.6826	.5918	.5099	.4369	.3724	.3158	.2666	.2241	.1876	.1565	.1301	.1078	.0890	.0733
56	.6806	.5884	.5052	.4309	.3653	.3080	.2583	.2156	.1791	.1482	.1221	.1003	.0820	.0669
57	.6787	.5852	.5006	.4251	.3584	.3004	.2502	.2073	.1708	.1401	.1144	.0930	.0753	.0608
58	.6769	.5821	.4961	.4193	.3516	.2928	.2422	.1990	.1627	.1322	.1069	.0860	.0689	.0550
59	.6752	.5791	.4918	.4137	.3450	.2853	.2342	.1910	.1546	.1245	.0996	.0793	.0628	.0495
60	.6737	.5763	.4876	.4082	.3384	.2780	.2265	.1830	.1468	.1170	.0926	.0729	.0570	.0444
61	.6722	.5736	.4835	.4028	.3320	.2708	.2188	.1752	.1392	.1097	.0858	.0667	.0515	.0395
62	.6709	.5711	.4796	.3976	.3257	.2637	.2113	.1676	.1317	.1026	.0793	.0608	.0463	.0351
3	.6697	.5687	.4758	.3925	.3195	.2567	.2039	.1601	.1244	.0958	.0731	.0553	.0415	.0309
64	.6686	.5665	.4722	.3876	.3134	.2499	.1966	.1528	.1174	.0892	.0671	.0500	.0369	.0271
65	.6676	.5644	.4688	.3829	.3075	.2432	.1895	.1457	.1105	.0828	.0614	.0450	.0327	.0236
66	.6668	.5624	.4656	.3783	.3018	.2367	.1826	.1387	.1039	.0768	.0560	.0404	.0288	.0204
67	.6660	.5607	.4625	.3738	.2962	.2303	.1758	.1319	.0975	.0709	.0509	.0361	.0253	.0175
68	.6653	.5591	.4596	.3696	.2908	.2240	.1692	.1254	.0913	.0654	.0461	.0321	.0220	.0149
69	.6648	.5576	.4569	.3655	.2855	.2179	.1627	.1190	.0853	.0601	.0416	.0284	.0191	.0127
70	.6643	.5563	.4544	.3616	.2804	.2120	.1564	.1128	.0796	.0551	.0375	.0250	.0165	.0107

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
71	.6639	.5551	.4520	.3578	.2753	.2060	.1501	.1067	.0741	.0503	.0335	.0219	.0141	.0089
72	.6635	.5541	.4498	.3544	.2707	.2005	.1443	.1011	.0690	.0460	.0300	.0192	.0120	.0074
73	.6633	.5532	.4480	.3512	.2663	.1954	.1389	.0959	.0644	.0421	.0269	.0168	.0103	.0062
74	.6632	.5528	.4468	.3492	.2636	.1921	.1355	.0926	.0615	.0397	.0251	.0154	.0093	.0055

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 2  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0338	.0708	.1111	.1538	.2434	.3364	.4316	.5285	
2	.0000	.0320	.0679	.1074	.1494	.2376	.3295	.4237	.5196	
3	.0000	.0302	.0651	.1039	.1452	.2321	.3227	.4159	.5109	
4	.0000	.0286	.0625	.1005	.1410	.2265	.3160	.4081	.5021	
5	.0000	.0270	.0599	.0971	.1368	.2211	.3094	.4004	.4934	
6	.0000	.0255	.0575	.0938	.1328	.2157	.3028	.3927	.4848	
7	.0000	.0241	.0551	.0907	.1289	.2104	.2963	.3852	.4763	
8	.0000	.0227	.0529	.0876	.1250	.2052	.2898	.3777	.4678	
9	.0000	.0214	.0507	.0846	.1212	.2000	.2835	.3702	.4594	
10	.0000	.0202	.0486	.0816	.1175	.1949	.2772	.3628	.4510	
11	.0000	.0191	.0465	.0787	.1139	.1898	.2709	.3555	.4427	
12	.0000	.0180	.0445	.0759	.1103	.1848	.2647	.3482	.4344	
13	.0000	.0169	.0426	.0731	.1067	.1799	.2586	.3410	.4262	
14	.0000	.0159	.0407	.0704	.1032	.1750	.2525	.3338	.4180	
15	.0000	.0150	.0389	.0677	.0998	.1702	.2464	.3266	.4098	
16	.0000	.0141	.0371	.0651	.0964	.1654	.2404	.3195	.4017	
17	.0000	.0132	.0354	.0626	.0930	.1607	.2344	.3124	.3936	
18	.0000	.0124	.0337	.0600	.0897	.1559	.2284	.3053	.3855	
19	.0000	.0116	.0320	.0576	.0865	.1513	.2225	.2982	.3774	
20	.0000	.0108	.0304	.0551	.0833	.1467	.2166	.2912	.3694	
21	.0000	.0101	.0289	.0528	.0801	.1421	.2107	.2842	.3613	
22	.0000	.0094	.0274	.0504	.0770	.1375	.2049	.2772	.3533	
23	.0000	.0087	.0259	.0482	.0740	.1330	.1991	.2702	.3453	
24	.0000	.0081	.0245	.0459	.0709	.1285	.1933	.2633	.3374	
25	.0000	.0075	.0231	.0437	.0680	.1241	.1875	.2564	.3294	
26	.0000	.0069	.0217	.0416	.0650	.1197	.1818	.2495	.3215	
27	.0000	.0064	.0204	.0395	.0621	.1153	.1761	.2426	.3135	
28	.0000	.0059	.0191	.0374	.0593	.1110	.1704	.2357	.3056	
29	.0000	.0054	.0179	.0354	.0565	.1067	.1648	.2289	.2977	
30	.0000	.0049	.0167	.0334	.0537	.1024	.1592	.2220	.2899	
31	.0000	.0045	.0156	.0315	.0510	.0982	.1536	.2153	.2821	
32	.0000	.0041	.0145	.0296	.0484	.0941	.1481	.2085	.2742	
33	.0000	.0037	.0135	.0278	.0458	.0899	.1426	.2018	.2664	
34	.0000	.0033	.0124	.0261	.0432	.0859	.1371	.1951	.2587	
35	.0000	.0030	.0115	.0243	.0407	.0818	.1317	.1884	.2509	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
36	.0000	.0027	.0105	.0227	.0383	.0779	.1263	.1818	.2432
37	.0000	.0024	.0096	.0211	.0359	.0739	.1209	.1751	.2355
38	.0000	.0021	.0088	.0195	.0336	.0701	.1156	.1686	.2278
39	.0000	.0019	.0080	.0180	.0313	.0663	.1104	.1621	.2202
40	.0000	.0017	.0073	.0166	.0292	.0626	.1052	.1557	.2127
41	.0000	.0014	.0066	.0152	.0271	.0590	.1002	.1493	.2052
42	.0000	.0013	.0059	.0139	.0251	.0555	.0953	.1431	.1979
43	.0000	.0011	.0053	.0127	.0232	.0521	.0905	.1370	.1906
44	.0000	.0009	.0047	.0116	.0213	.0488	.0858	.1310	.1835
45	.0000	.0008	.0042	.0105	.0196	.0456	.0812	.1251	.1765
46	.0000	.0007	.0037	.0095	.0179	.0426	.0767	.1193	.1695
47	.0000	.0006	.0033	.0085	.0164	.0396	.0723	.1137	.1627
48	.0000	.0005	.0029	.0076	.0149	.0367	.0681	.1081	.1559
49	.0000	.0004	.0025	.0068	.0135	.0340	.0639	.1026	.1493
50	.0000	.0003	.0022	.0060	.0121	.0314	.0599	.0972	.1427
51	.0000	.0003	.0019	.0053	.0109	.0288	.0560	.0920	.1362
52	.0000	.0002	.0016	.0046	.0097	.0264	.0521	.0868	.1298
53	.0000	.0002	.0013	.0040	.0086	.0241	.0484	.0817	.1235
54	.0000	.0002	.0011	.0035	.0076	.0219	.0448	.0768	.1174
55	.0000	.0001	.0009	.0030	.0067	.0197	.0414	.0719	.1113
56	.0000	.0001	.0008	.0025	.0058	.0177	.0380	.0672	.1053
57	.0000	.0001	.0006	.0021	.0050	.0159	.0348	.0626	.0994
58	.0000	.0001	.0005	.0018	.0043	.0141	.0317	.0581	.0937
59	.0000	.0000	.0004	.0015	.0036	.0124	.0287	.0537	.0880
60	.0000	.0000	.0003	.0012	.0030	.0109	.0259	.0495	.0826
61	.0000	.0000	.0002	.0010	.0025	.0094	.0232	.0455	.0772
62	.0000	.0000	.0002	.0008	.0021	.0081	.0207	.0416	.0720
63	.0000	.0000	.0001	.0006	.0017	.0069	.0183	.0378	.0669
64	.0000	.0000	.0001	.0005	.0013	.0058	.0160	.0342	.0620
65	.0000	.0000	.0001	.0003	.0010	.0048	.0140	.0308	.0572
66	.0000	.0000	.0000	.0002	.0008	.0040	.0120	.0276	.0526
67	.0000	.0000	.0000	.0002	.0006	.0032	.0103	.0245	.0482
68	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0216	.0440
69	.0000	.0000	.0000	.0001	.0003	.0019	.0072	.0189	.0399
70	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0164	.0360
71	.0000	.0000	.0000	.0000	.0001	.0010	.0047	.0139	.0322
72	.0000	.0000	.0000	.0000	.0001	.0007	.0037	.0118	.0287
73	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0099	.0256
74	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0088	.0236

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 2  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7251	.6552	.5930	.5374	.4875	.4435	.4066	.3757	.3498	.3279	.3094	.2938	.2807	.2699
41	\$120	.7215	.6501	.5866	.5299	.4792	.4357	.3992	.3687	.3431	.3215	.3034	.2882	.2757	.2655
42	\$120	.7180	.6452	.5804	.5226	.4715	.4283	.3922	.3620	.3366	.3154	.2976	.2830	.2711	.2615
43	\$120	.7146	.6404	.5743	.5154	.4643	.4214	.3855	.3555	.3304	.3094	.2922	.2782	.2669	.2577
44	\$120	.7113	.6357	.5683	.5085	.4575	.4147	.3790	.3491	.3243	.3038	.2871	.2737	.2630	.2543
45	\$120	.7081	.6311	.5624	.5021	.4511	.4083	.3726	.3429	.3184	.2985	.2824	.2696	.2593	.2511
46	\$120	.7051	.6266	.5567	.4960	.4449	.4021	.3664	.3369	.3129	.2935	.2780	.2656	.2559	.2482
47	\$120	.7021	.6223	.5513	.4903	.4389	.3960	.3604	.3312	.3076	.2888	.2738	.2619	.2527	.2455
48	\$120	.6993	.6180	.5461	.4847	.4331	.3900	.3545	.3257	.3026	.2843	.2698	.2585	.2497	.2430
49	\$120	.6965	.6139	.5413	.4793	.4274	.3842	.3489	.3204	.2978	.2800	.2660	.2553	.2470	.2408
50	\$120	.6939	.6100	.5366	.4741	.4218	.3785	.3434	.3154	.2932	.2759	.2625	.2523	.2445	.2387
	\$250	.6941	.6102	.5351	.4681	.4085	.3558	.3100	.2706	.2371	.2086	.1847	.1645	.1476	.1335
51	\$120	.6914	.6063	.5321	.4690	.4163	.3730	.3382	.3105	.2888	.2720	.2592	.2495	.2422	.2368
	\$250	.6916	.6063	.5298	.4616	.4010	.3479	.3019	.2627	.2294	.2013	.1777	.1580	.1417	.1282
52	\$120	.6890	.6027	.5277	.4640	.4110	.3677	.3331	.3058	.2846	.2684	.2561	.2469	.2401	.2351
	\$250	.6891	.6024	.5246	.4552	.3937	.3402	.2942	.2550	.2219	.1942	.1710	.1518	.1361	.1232
53	\$120	.6867	.5994	.5235	.4592	.4058	.3625	.3281	.3013	.2806	.2649	.2532	.2445	.2382	.2336
	\$250	.6868	.5987	.5196	.4489	.3867	.3327	.2866	.2475	.2147	.1873	.1646	.1460	.1308	.1185
54	\$120	.6845	.5962	.5194	.4544	.4008	.3575	.3234	.2969	.2768	.2616	.2504	.2423	.2364	.2322
	\$250	.6846	.5952	.5146	.4428	.3798	.3255	.2792	.2402	.2076	.1806	.1584	.1404	.1258	.1141
55	\$120	.6825	.5931	.5155	.4498	.3959	.3526	.3187	.2927	.2731	.2585	.2479	.2402	.2348	.2309
	\$250	.6825	.5917	.5098	.4369	.3732	.3185	.2720	.2331	.2007	.1741	.1525	.1350	.1210	.1099
56	\$120	.6806	.5902	.5116	.4453	.3911	.3479	.3143	.2887	.2696	.2556	.2455	.2383	.2333	.2298
	\$250	.6805	.5883	.5051	.4311	.3667	.3116	.2650	.2261	.1940	.1679	.1468	.1299	.1166	.1061
57	\$120	.6789	.5874	.5079	.4409	.3864	.3433	.3100	.2849	.2663	.2529	.2433	.2366	.2320	.2288
	\$250	.6786	.5851	.5005	.4256	.3605	.3049	.2581	.2193	.1876	.1619	.1414	.1251	.1124	.1025
58	\$120	.6772	.5848	.5043	.4367	.3819	.3388	.3058	.2812	.2632	.2503	.2413	.2350	.2308	.2279
	\$250	.6769	.5820	.4962	.4202	.3543	.2983	.2514	.2127	.1813	.1562	.1362	.1206	.1085	.0992
	\$500	.6769	.5821	.4961	.4192	.3516	.2927	.2421	.1991	.1630	.1329	.1080	.0877	.0712	.0578
59	\$120	.6757	.5822	.5008	.4326	.3775	.3344	.3017	.2776	.2602	.2479	.2394	.2336	.2297	.2271
	\$250	.6752	.5791	.4920	.4150	.3484	.2919	.2448	.2063	.1753	.1506	.1313	.1163	.1048	.0961
	\$500	.6752	.5791	.4917	.4136	.3449	.2853	.2343	.1912	.1552	.1255	.1011	.0814	.0655	.0528
60	\$120	.6743	.5798	.4974	.4285	.3732	.3302	.2979	.2742	.2574	.2457	.2377	.2323	.2287	.2265
	\$250	.6736	.5763	.4880	.4099	.3425	.2856	.2384	.2001	.1694	.1453	.1266	.1122	.1014	.0932
	\$500	.6737	.5763	.4875	.4081	.3383	.2780	.2266	.1834	.1476	.1183	.0945	.0753	.0601	.0481
61	\$120	.6730	.5775	.4942	.4246	.3690	.3261	.2941	.2710	.2547	.2436	.2361	.2311	.2279	.2259
	\$250	.6722	.5737	.4842	.4050	.3368	.2794	.2321	.1940	.1638	.1402	.1221	.1084	.0982	.0907
	\$500	.6722	.5736	.4835	.4028	.3319	.2709	.2191	.1759	.1403	.1113	.0881	.0696	.0551	.0437
62	\$120	.6718	.5753	.4910	.4209	.3649	.3221	.2905	.2679	.2522	.2416	.2346	.2300	.2272	.2253
	\$250	.6709	.5712	.4805	.4003	.3313	.2734	.2261	.1881	.1583	.1354	.1179	.1049	.0953	.0883
	\$500	.6709	.5711	.4796	.3976	.3257	.2639	.2117	.1685	.1331	.1046	.0820	.0642	.0503	.0397
63	\$120	.6707	.5732	.4880	.4172	.3610	.3183	.2871	.2650	.2499	.2398	.2333	.2291	.2265	.2249
	\$250	.6697	.5689	.4770	.3957	.3259	.2676	.2201	.1824	.1531	.1307	.1139	.1016	.0926	.0862
	\$500	.6697	.5687	.4758	.3925	.3195	.2570	.2045	.1612	.1261	.0981	.0761	.0590	.0459	.0359
64	\$120	.6697	.5713	.4852	.4137	.3572	.3146	.2838	.2623	.2477	.2382	.2321	.2283	.2259	.2245
	\$250	.6686	.5668	.4737	.3913	.3206	.2619	.2144	.1769	.1481	.1263	.1102	.0985	.0901	.0842
	\$500	.6686	.5664	.4722	.3876	.3136	.2503	.1975	.1542	.1194	.0919	.0706	.0542	.0418	.0325
	\$1,000	.6686	.5665	.4722	.3876	.3134	.2499	.1966	.1528	.1174	.0892	.0671	.0500	.0370	.0271
65	\$120	.6688	.5695	.4824	.4102	.3535	.3110	.2806	.2596	.2457	.2367	.2310	.2275	.2254	.2242
	\$250	.6677	.5648	.4705	.3870	.3155	.2564	.2088	.1716	.1433	.1221	.1067	.0957	.0879	.0825
	\$500	.6676	.5644	.4688	.3829	.3078	.2438	.1906	.1473	.1129	.0859	.0653	.0496	.0379	.0294
	\$1,000	.6676	.5644	.4688	.3829	.3075	.2432	.1895	.1457	.1105	.0829	.0614	.0451	.0328	.0236
66	\$120	.6680	.5678	.4798	.4069	.3500	.3076	.2776	.2572	.2438	.2353	.2300	.2268	.2250	.2239

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$250	.6668	.5630	.4675	.3829	.3106	.2510	.2034	.1665	.1387	.1182	.1035	.0931	.0859	.0810
	\$500	.6668	.5624	.4656	.3784	.3022	.2374	.1839	.1407	.1066	.0802	.0603	.0454	.0344	.0265
	\$1,000	.6668	.5624	.4656	.3783	.3018	.2367	.1826	.1387	.1039	.0768	.0560	.0405	.0289	.0204
67	\$120	.6673	.5662	.4773	.4038	.3465	.3043	.2747	.2549	.2420	.2340	.2291	.2263	.2246	.2237
	\$250	.6661	.5613	.4647	.3790	.3058	.2458	.1981	.1615	.1343	.1145	.1004	.0907	.0840	.0796
	\$500	.6660	.5607	.4626	.3740	.2967	.2312	.1773	.1342	.1005	.0748	.0556	.0414	.0312	.0240
	\$1,000	.6660	.5607	.4625	.3738	.2962	.2303	.1758	.1319	.0975	.0710	.0510	.0361	.0253	.0176
68	\$120	.6666	.5647	.4749	.4007	.3432	.3012	.2720	.2527	.2404	.2328	.2284	.2258	.2243	.2235
	\$250	.6655	.5598	.4621	.3752	.3012	.2407	.1931	.1568	.1301	.1110	.0976	.0885	.0824	.0784
	\$500	.6653	.5591	.4597	.3699	.2914	.2252	.1710	.1280	.0947	.0696	.0512	.0378	.0283	.0217
	\$1,000	.6653	.5591	.4596	.3696	.2908	.2240	.1692	.1254	.0913	.0654	.0462	.0322	.0221	.0150
69	\$120	.6661	.5633	.4726	.3978	.3400	.2982	.2694	.2507	.2389	.2318	.2277	.2253	.2240	.2233
	\$250	.6649	.5584	.4596	.3716	.2968	.2358	.1882	.1523	.1262	.1077	.0950	.0865	.0810	.0774
	\$500	.6648	.5576	.4570	.3659	.2863	.2192	.1648	.1219	.0891	.0647	.0470	.0344	.0257	.0197
	\$1,000	.6648	.5576	.4569	.3655	.2855	.2179	.1627	.1190	.0854	.0601	.0417	.0285	.0192	.0128
70	\$120	.6655	.5620	.4704	.3950	.3370	.2953	.2670	.2488	.2375	.2309	.2270	.2249	.2238	.2232
	\$250	.6644	.5572	.4572	.3682	.2925	.2311	.1835	.1480	.1224	.1047	.0927	.0848	.0797	.0765
	\$500	.6643	.5563	.4545	.3620	.2813	.2135	.1588	.1161	.0838	.0601	.0432	.0314	.0233	.0179
	\$1,000	.6643	.5563	.4544	.3616	.2804	.2120	.1564	.1128	.0797	.0552	.0375	.0251	.0166	.0108
71	\$120	.6651	.5608	.4683	.3922	.3340	.2925	.2647	.2470	.2362	.2300	.2265	.2246	.2236	.2231
	\$250	.6640	.5560	.4550	.3648	.2882	.2264	.1788	.1437	.1188	.1018	.0904	.0831	.0785	.0757
	\$500	.6639	.5551	.4522	.3583	.2764	.2078	.1528	.1103	.0786	.0556	.0395	.0285	.0212	.0164
	\$1,000	.6639	.5551	.4520	.3578	.2753	.2061	.1502	.1067	.0741	.0504	.0336	.0220	.0142	.0090
72	\$120	.6647	.5597	.4665	.3897	.3313	.2900	.2625	.2454	.2351	.2293	.2260	.2243	.2234	.2230
	\$250	.6637	.5551	.4530	.3618	.2843	.2221	.1746	.1399	.1156	.0992	.0885	.0818	.0776	.0751
	\$500	.6636	.5542	.4501	.3550	.2719	.2026	.1473	.1050	.0738	.0517	.0364	.0261	.0194	.0151
	\$1,000	.6635	.5541	.4498	.3544	.2707	.2006	.1444	.1011	.0691	.0461	.0301	.0193	.0121	.0075
73	\$120	.6644	.5588	.4647	.3874	.3288	.2876	.2606	.2439	.2341	.2286	.2256	.2241	.2233	.2229
	\$250	.6635	.5543	.4513	.3590	.2808	.2181	.1707	.1364	.1127	.0969	.0868	.0806	.0768	.0745
	\$500	.6633	.5533	.4482	.3519	.2677	.1977	.1422	.1001	.0695	.0481	.0335	.0240	.0178	.0140
	\$1,000	.6633	.5532	.4480	.3512	.2663	.1954	.1390	.0959	.0644	.0422	.0270	.0169	.0104	.0063
74	\$120	.6642	.5583	.4637	.3860	.3272	.2862	.2595	.2431	.2335	.2282	.2254	.2240	.2232	.2229
	\$250	.6634	.5538	.4502	.3573	.2785	.2157	.1682	.1342	.1109	.0956	.0858	.0799	.0763	.0742
	\$500	.6632	.5528	.4471	.3500	.2651	.1946	.1389	.0971	.0669	.0459	.0318	.0227	.0169	.0134
	\$1,000	.6632	.5528	.4468	.3492	.2636	.1922	.1356	.0927	.0616	.0398	.0252	.0156	.0095	.0057

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 2  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0016	.0072	.0165	.0290	.0623	.1047	.1549	.2117
41	\$120	.0000	.0014	.0065	.0151	.0269	.0587	.0997	.1486	.2043
42	\$120	.0000	.0012	.0058	.0138	.0249	.0552	.0948	.1424	.1969
43	\$120	.0000	.0011	.0052	.0126	.0230	.0518	.0900	.1363	.1897
44	\$120	.0000	.0009	.0047	.0115	.0212	.0485	.0853	.1303	.1829
45	\$120	.0000	.0008	.0042	.0104	.0194	.0453	.0807	.1244	.1765

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
46	\$120	.0000	.0007	.0037	.0094	.0178	.0423	.0762	.1187	.1704
47	\$120	.0000	.0006	.0032	.0084	.0162	.0393	.0718	.1133	.1646
48	\$120	.0000	.0005	.0028	.0076	.0147	.0365	.0676	.1081	.1591
49	\$120	.0000	.0004	.0025	.0067	.0133	.0337	.0635	.1032	.1537
50	\$120	.0000	.0003	.0021	.0060	.0120	.0311	.0596	.0985	.1485
	\$250	.0000	.0003	.0022	.0060	.0121	.0313	.0598	.0970	.1425
51	\$120	.0000	.0003	.0018	.0053	.0108	.0286	.0558	.0940	.1434
	\$250	.0000	.0003	.0019	.0053	.0108	.0288	.0558	.0918	.1360
52	\$120	.0000	.0002	.0016	.0046	.0096	.0262	.0523	.0897	.1384
	\$250	.0000	.0002	.0016	.0046	.0097	.0263	.0520	.0866	.1296
53	\$120	.0000	.0002	.0013	.0040	.0085	.0239	.0490	.0855	.1335
	\$250	.0000	.0002	.0013	.0040	.0086	.0240	.0483	.0815	.1233
54	\$120	.0000	.0001	.0011	.0035	.0075	.0217	.0458	.0814	.1288
	\$250	.0000	.0001	.0011	.0035	.0076	.0218	.0447	.0766	.1172
55	\$120	.0000	.0001	.0009	.0030	.0066	.0197	.0427	.0774	.1242
	\$250	.0000	.0001	.0009	.0030	.0066	.0197	.0413	.0717	.1112
56	\$120	.0000	.0001	.0008	.0025	.0057	.0178	.0398	.0736	.1197
	\$250	.0000	.0001	.0008	.0025	.0058	.0177	.0379	.0670	.1055
57	\$120	.0000	.0001	.0006	.0021	.0049	.0160	.0370	.0698	.1153
	\$250	.0000	.0001	.0006	.0021	.0050	.0158	.0347	.0625	.0999
58	\$120	.0000	.0001	.0005	.0018	.0042	.0144	.0343	.0662	.1111
	\$250	.0000	.0001	.0005	.0018	.0043	.0140	.0316	.0581	.0946
	\$500	.0000	.0001	.0005	.0018	.0043	.0141	.0317	.0581	.0936
59	\$120	.0000	.0000	.0004	.0015	.0036	.0129	.0318	.0627	.1069
	\$250	.0000	.0000	.0004	.0015	.0036	.0124	.0287	.0540	.0893
	\$500	.0000	.0000	.0004	.0015	.0036	.0124	.0287	.0537	.0880
60	\$120	.0000	.0000	.0003	.0012	.0030	.0115	.0294	.0594	.1029
	\$250	.0000	.0000	.0003	.0012	.0030	.0108	.0259	.0500	.0843
	\$500	.0000	.0000	.0003	.0012	.0030	.0109	.0259	.0495	.0825
61	\$120	.0000	.0000	.0002	.0010	.0025	.0102	.0271	.0561	.0990
	\$250	.0000	.0000	.0002	.0010	.0025	.0094	.0233	.0461	.0794
	\$500	.0000	.0000	.0002	.0010	.0025	.0094	.0232	.0454	.0771
62	\$120	.0000	.0000	.0002	.0008	.0021	.0090	.0249	.0530	.0952
	\$250	.0000	.0000	.0002	.0008	.0021	.0081	.0208	.0425	.0747
	\$500	.0000	.0000	.0002	.0008	.0021	.0081	.0207	.0415	.0719
63	\$120	.0000	.0000	.0001	.0006	.0017	.0079	.0228	.0500	.0916
	\$250	.0000	.0000	.0001	.0006	.0017	.0069	.0185	.0390	.0701
	\$500	.0000	.0000	.0001	.0006	.0017	.0069	.0183	.0378	.0669
64	\$120	.0000	.0000	.0001	.0005	.0014	.0069	.0209	.0471	.0880
	\$250	.0000	.0000	.0001	.0004	.0013	.0058	.0164	.0357	.0656
	\$500	.0000	.0000	.0001	.0004	.0013	.0058	.0160	.0342	.0620
	\$1,000	.0000	.0000	.0001	.0005	.0013	.0058	.0160	.0342	.0620
65	\$120	.0000	.0000	.0001	.0003	.0011	.0060	.0190	.0444	.0846
	\$250	.0000	.0000	.0001	.0003	.0010	.0049	.0144	.0325	.0614

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$500	.0000	.0000	.0001	.0003	.0010	.0048	.0139	.0308	.0573
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0048	.0139	.0308	.0572
66	\$120	.0000	.0000	.0000	.0003	.0009	.0052	.0173	.0417	.0813
	\$250	.0000	.0000	.0000	.0002	.0008	.0040	.0126	.0295	.0573
	\$500	.0000	.0000	.0000	.0002	.0008	.0039	.0120	.0276	.0527
	\$1,000	.0000	.0000	.0000	.0002	.0008	.0040	.0120	.0276	.0526
67	\$120	.0000	.0000	.0000	.0002	.0007	.0045	.0157	.0392	.0781
	\$250	.0000	.0000	.0000	.0002	.0006	.0033	.0109	.0267	.0533
	\$500	.0000	.0000	.0000	.0002	.0006	.0032	.0103	.0245	.0484
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0032	.0103	.0245	.0482
68	\$120	.0000	.0000	.0000	.0001	.0005	.0038	.0143	.0368	.0751
	\$250	.0000	.0000	.0000	.0001	.0004	.0026	.0094	.0240	.0496
	\$500	.0000	.0000	.0000	.0001	.0004	.0025	.0087	.0217	.0442
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0216	.0440
69	\$120	.0000	.0000	.0000	.0001	.0004	.0032	.0129	.0346	.0721
	\$250	.0000	.0000	.0000	.0001	.0003	.0021	.0080	.0215	.0460
	\$500	.0000	.0000	.0000	.0001	.0003	.0019	.0072	.0190	.0402
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0019	.0072	.0189	.0399
70	\$120	.0000	.0000	.0000	.0001	.0003	.0027	.0116	.0324	.0693
	\$250	.0000	.0000	.0000	.0000	.0002	.0016	.0068	.0192	.0425
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0165	.0364
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0164	.0360
71	\$120	.0000	.0000	.0000	.0000	.0002	.0023	.0104	.0303	.0666
	\$250	.0000	.0000	.0000	.0000	.0001	.0012	.0056	.0170	.0392
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0141	.0327
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0010	.0047	.0139	.0322
72	\$120	.0000	.0000	.0000	.0000	.0002	.0019	.0093	.0284	.0641
	\$250	.0000	.0000	.0000	.0000	.0001	.0009	.0047	.0150	.0361
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0037	.0121	.0293
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0007	.0037	.0118	.0287
73	\$120	.0000	.0000	.0000	.0000	.0001	.0016	.0084	.0267	.0618
	\$250	.0000	.0000	.0000	.0000	.0000	.0007	.0038	.0133	.0333
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0102	.0263
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0099	.0256
74	\$120	.0000	.0000	.0000	.0000	.0001	.0014	.0078	.0257	.0603
	\$250	.0000	.0000	.0000	.0000	.0000	.0005	.0034	.0122	.0316
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0091	.0244
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0088	.0236

\*Single Loss Limit values are expressed in thousands of dollars.

NEW SECTION

WAC 296-17B-930 Hazard Group 3 tables.

Premium-Based Plan, with no Single Loss Limit

Insurance Charge Table  
Hazard Group 3  
Effective October 29, 2010

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8658	.8480	.8322	.8180	.8049	.7926	.7811	.7703	.7599	.7501	.7406	.7316	.7228	.7144
2	.8604	.8416	.8249	.8098	.7958	.7828	.7706	.7591	.7481	.7376	.7276	.7180	.7088	.6998
3	.8552	.8353	.8177	.8016	.7869	.7731	.7602	.7480	.7364	.7253	.7147	.7046	.6948	.6854
4	.8501	.8290	.8104	.7935	.7779	.7633	.7497	.7368	.7246	.7129	.7018	.6911	.6808	.6709
5	.8450	.8228	.8032	.7854	.7689	.7536	.7393	.7257	.7129	.7006	.6889	.6777	.6669	.6566
6	.8399	.8167	.7961	.7773	.7600	.7440	.7289	.7147	.7012	.6884	.6761	.6644	.6531	.6423
7	.8350	.8106	.7890	.7693	.7512	.7344	.7186	.7037	.6896	.6762	.6634	.6511	.6394	.6281
8	.8301	.8046	.7819	.7614	.7424	.7248	.7083	.6928	.6781	.6641	.6507	.6380	.6257	.6140
9	.8252	.7986	.7749	.7535	.7337	.7153	.6981	.6819	.6666	.6521	.6382	.6249	.6122	.6000
10	.8204	.7927	.7680	.7456	.7250	.7059	.6880	.6711	.6552	.6401	.6257	.6119	.5988	.5861
11	.8157	.7868	.7611	.7378	.7164	.6965	.6779	.6604	.6439	.6282	.6133	.5990	.5854	.5724
12	.8110	.7809	.7542	.7300	.7078	.6871	.6678	.6497	.6326	.6164	.6009	.5862	.5722	.5588
13	.8063	.7751	.7474	.7223	.6992	.6778	.6578	.6391	.6214	.6046	.5887	.5735	.5590	.5452
14	.8017	.7694	.7406	.7146	.6907	.6685	.6478	.6284	.6102	.5929	.5765	.5609	.5460	.5318
15	.7971	.7636	.7339	.7069	.6822	.6593	.6379	.6179	.5990	.5812	.5643	.5483	.5330	.5184
16	.7926	.7579	.7271	.6993	.6737	.6500	.6280	.6073	.5879	.5696	.5523	.5358	.5201	.5052
17	.7881	.7523	.7205	.6916	.6652	.6408	.6181	.5969	.5769	.5581	.5403	.5234	.5074	.4921
18	.7836	.7466	.7138	.6840	.6568	.6317	.6083	.5864	.5659	.5466	.5284	.5111	.4947	.4791
19	.7791	.7410	.7071	.6765	.6484	.6225	.5985	.5760	.5550	.5352	.5165	.4988	.4821	.4662
20	.7748	.7354	.7005	.6689	.6400	.6134	.5887	.5657	.5441	.5238	.5047	.4867	.4696	.4534
21	.7704	.7299	.6939	.6614	.6317	.6043	.5789	.5553	.5332	.5125	.4930	.4746	.4572	.4406
22	.7660	.7243	.6873	.6538	.6233	.5952	.5692	.5450	.5224	.5012	.4813	.4625	.4448	.4280
23	.7617	.7188	.6807	.6463	.6150	.5862	.5595	.5347	.5116	.4900	.4697	.4506	.4325	.4155
24	.7575	.7134	.6742	.6389	.6067	.5771	.5498	.5245	.5009	.4788	.4581	.4386	.4203	.4030
25	.7532	.7079	.6676	.6314	.5984	.5681	.5401	.5143	.4902	.4677	.4466	.4268	.4081	.3905
26	.7490	.7024	.6611	.6239	.5901	.5591	.5305	.5040	.4795	.4565	.4351	.4150	.3960	.3782
27	.7448	.6970	.6546	.6165	.5818	.5501	.5209	.4939	.4688	.4455	.4236	.4032	.3840	.3659
28	.7407	.6916	.6481	.6090	.5735	.5411	.5112	.4837	.4581	.4344	.4122	.3914	.3720	.3536
29	.7366	.6863	.6417	.6016	.5653	.5321	.5016	.4735	.4475	.4234	.4008	.3798	.3600	.3414
30	.7325	.6809	.6352	.5942	.5570	.5231	.4920	.4634	.4369	.4123	.3895	.3681	.3481	.3293
31	.7284	.6756	.6288	.5868	.5488	.5142	.4825	.4533	.4264	.4014	.3781	.3565	.3362	.3171
32	.7244	.6703	.6224	.5794	.5406	.5052	.4729	.4432	.4158	.3904	.3668	.3448	.3243	.3050
33	.7205	.6651	.6160	.5721	.5324	.4963	.4633	.4331	.4052	.3794	.3555	.3332	.3124	.2929
34	.7166	.6599	.6097	.5647	.5241	.4873	.4537	.4229	.3946	.3684	.3441	.3215	.3005	.2808
35	.7127	.6547	.6033	.5574	.5159	.4784	.4442	.4128	.3840	.3574	.3328	.3099	.2886	.2688
36	.7088	.6495	.5970	.5500	.5077	.4694	.4345	.4026	.3733	.3463	.3214	.2982	.2767	.2568
37	.7050	.6444	.5907	.5427	.4995	.4604	.4249	.3925	.3627	.3353	.3100	.2866	.2649	.2449
38	.7013	.6393	.5844	.5354	.4913	.4514	.4153	.3822	.3520	.3242	.2986	.2750	.2532	.2332
39	.6976	.6343	.5782	.5281	.4831	.4425	.4056	.3720	.3413	.3131	.2872	.2635	.2417	.2216
40	.6941	.6294	.5720	.5209	.4750	.4336	.3960	.3619	.3307	.3021	.2760	.2521	.2303	.2103
41	.6905	.6245	.5659	.5137	.4669	.4247	.3865	.3517	.3201	.2912	.2650	.2410	.2191	.1992
42	.6871	.6197	.5599	.5066	.4589	.4159	.3770	.3417	.3096	.2805	.2541	.2301	.2082	.1884
43	.6838	.6151	.5540	.4997	.4509	.4071	.3675	.3317	.2993	.2699	.2434	.2193	.1976	.1779
44	.6806	.6105	.5482	.4927	.4431	.3984	.3582	.3219	.2891	.2595	.2329	.2089	.1872	.1677
45	.6775	.6060	.5425	.4859	.4353	.3898	.3489	.3121	.2790	.2493	.2226	.1986	.1771	.1578
46	.6745	.6016	.5369	.4792	.4275	.3812	.3397	.3025	.2691	.2392	.2125	.1886	.1673	.1482
47	.6715	.5973	.5313	.4725	.4198	.3727	.3306	.2930	.2593	.2293	.2026	.1788	.1577	.1390

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
48	.6687	.5932	.5259	.4658	.4122	.3643	.3216	.2836	.2497	.2196	.1929	.1693	.1484	.1300
49	.6660	.5891	.5205	.4593	.4047	.3560	.3127	.2743	.2402	.2101	.1835	.1600	.1394	.1213
50	.6633	.5851	.5152	.4528	.3972	.3477	.3039	.2651	.2308	.2007	.1742	.1510	.1306	.1129
51	.6608	.5812	.5099	.4463	.3898	.3396	.2952	.2560	.2216	.1915	.1651	.1421	.1222	.1048
52	.6584	.5774	.5048	.4400	.3824	.3315	.2865	.2471	.2125	.1824	.1562	.1336	.1139	.0970
53	.6560	.5736	.4997	.4337	.3752	.3234	.2780	.2382	.2036	.1736	.1476	.1252	.1060	.0896
54	.6538	.5700	.4947	.4276	.3680	.3155	.2696	.2295	.1948	.1649	.1392	.1171	.0983	.0824
55	.6516	.5665	.4899	.4215	.3609	.3077	.2612	.2209	.1862	.1564	.1309	.1093	.0910	.0755
56	.6496	.5631	.4851	.4155	.3539	.2999	.2530	.2125	.1777	.1480	.1229	.1017	.0838	.0689
57	.6476	.5598	.4805	.4096	.3470	.2923	.2449	.2041	.1694	.1399	.1151	.0943	.0770	.0627
58	.6458	.5567	.4759	.4038	.3402	.2847	.2369	.1959	.1612	.1319	.1075	.0872	.0705	.0567
59	.6441	.5536	.4715	.3981	.3335	.2773	.2289	.1878	.1532	.1242	.1002	.0804	.0642	.0511
60	.6425	.5507	.4672	.3926	.3269	.2699	.2212	.1799	.1453	.1166	.0930	.0738	.0583	.0458
61	.6410	.5480	.4631	.3872	.3204	.2627	.2135	.1721	.1376	.1093	.0862	.0675	.0526	.0408
62	.6396	.5453	.4591	.3819	.3141	.2556	.2059	.1644	.1301	.1021	.0796	.0615	.0473	.0361
63	.6383	.5429	.4553	.3768	.3079	.2486	.1985	.1569	.1228	.0952	.0732	.0558	.0423	.0318
64	.6372	.5405	.4516	.3718	.3018	.2417	.1912	.1495	.1156	.0885	.0671	.0504	.0376	.0278
65	.6361	.5384	.4481	.3669	.2958	.2350	.1840	.1423	.1087	.0821	.0613	.0453	.0332	.0241
66	.6352	.5364	.4448	.3623	.2900	.2284	.1770	.1353	.1019	.0759	.0558	.0406	.0292	.0208
67	.6344	.5345	.4416	.3578	.2843	.2219	.1702	.1284	.0954	.0699	.0506	.0361	.0255	.0178
68	.6336	.5328	.4386	.3534	.2788	.2156	.1635	.1217	.0891	.0643	.0456	.0320	.0221	.0151
69	.6330	.5313	.4358	.3493	.2735	.2094	.1569	.1152	.0831	.0588	.0410	.0282	.0191	.0127
70	.6325	.5299	.4332	.3453	.2683	.2033	.1505	.1090	.0773	.0537	.0367	.0247	.0163	.0106
71	.6321	.5287	.4307	.3414	.2631	.1973	.1441	.1027	.0716	.0488	.0326	.0214	.0138	.0088
72	.6317	.5276	.4285	.3378	.2583	.1917	.1382	.0970	.0664	.0444	.0290	.0186	.0117	.0073
73	.6315	.5267	.4266	.3346	.2538	.1864	.1326	.0916	.0616	.0404	.0258	.0162	.0099	.0060
74	.6313	.5262	.4254	.3325	.2510	.1830	.1291	.0883	.0586	.0379	.0239	.0148	.0089	.0053

Premium-Based Plan, with no Single Loss Limit

Insurance Savings Table  
Hazard Group 3  
Effective October 29, 2010

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0328	.0687	.1076	.1487	.2348	.3240	.4152	.5080
2	.0000	.0311	.0660	.1042	.1446	.2294	.3176	.4079	.4998
3	.0000	.0295	.0634	.1009	.1406	.2242	.3113	.4007	.4916
4	.0000	.0279	.0609	.0976	.1367	.2191	.3050	.3934	.4835
5	.0000	.0264	.0585	.0945	.1329	.2140	.2988	.3862	.4754
6	.0000	.0250	.0562	.0914	.1291	.2089	.2927	.3791	.4673
7	.0000	.0236	.0540	.0884	.1254	.2040	.2866	.3720	.4593
8	.0000	.0224	.0518	.0855	.1217	.1991	.2806	.3649	.4514
9	.0000	.0211	.0498	.0827	.1182	.1942	.2746	.3579	.4435
10	.0000	.0200	.0477	.0799	.1147	.1894	.2687	.3510	.4356
11	.0000	.0189	.0458	.0771	.1112	.1847	.2628	.3441	.4278
12	.0000	.0178	.0439	.0744	.1078	.1800	.2569	.3372	.4200
13	.0000	.0168	.0420	.0718	.1045	.1753	.2511	.3304	.4123
14	.0000	.0159	.0402	.0692	.1011	.1707	.2454	.3236	.4046
15	.0000	.0149	.0385	.0667	.0979	.1661	.2396	.3169	.3969
16	.0000	.0141	.0368	.0642	.0947	.1616	.2339	.3101	.3893

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
17	.0000	.0132	.0351	.0618	.0915	.1571	.2283	.3035	.3816
18	.0000	.0124	.0335	.0593	.0883	.1526	.2226	.2968	.3740
19	.0000	.0116	.0319	.0570	.0852	.1481	.2170	.2901	.3665
20	.0000	.0109	.0304	.0547	.0822	.1438	.2114	.2835	.3589
21	.0000	.0102	.0289	.0524	.0791	.1394	.2059	.2769	.3514
22	.0000	.0095	.0274	.0501	.0762	.1350	.2003	.2703	.3438
23	.0000	.0089	.0260	.0479	.0732	.1307	.1948	.2637	.3363
24	.0000	.0082	.0246	.0458	.0703	.1265	.1894	.2572	.3289
25	.0000	.0077	.0232	.0436	.0674	.1222	.1839	.2506	.3214
26	.0000	.0071	.0219	.0415	.0646	.1180	.1784	.2441	.3139
27	.0000	.0065	.0206	.0395	.0618	.1138	.1730	.2376	.3065
28	.0000	.0060	.0194	.0375	.0591	.1097	.1676	.2311	.2990
29	.0000	.0055	.0182	.0355	.0563	.1056	.1623	.2247	.2916
30	.0000	.0051	.0170	.0336	.0537	.1015	.1569	.2182	.2842
31	.0000	.0046	.0159	.0317	.0511	.0974	.1516	.2118	.2768
32	.0000	.0042	.0148	.0299	.0485	.0934	.1463	.2054	.2694
33	.0000	.0038	.0138	.0281	.0460	.0895	.1411	.1990	.2621
34	.0000	.0035	.0127	.0264	.0435	.0856	.1359	.1927	.2547
35	.0000	.0031	.0118	.0247	.0410	.0817	.1307	.1863	.2474
36	.0000	.0028	.0108	.0231	.0386	.0778	.1255	.1800	.2400
37	.0000	.0025	.0100	.0215	.0363	.0740	.1204	.1737	.2327
38	.0000	.0022	.0091	.0199	.0340	.0703	.1153	.1674	.2254
39	.0000	.0020	.0083	.0184	.0318	.0666	.1103	.1612	.2181
40	.0000	.0018	.0075	.0170	.0297	.0631	.1054	.1550	.2109
41	.0000	.0015	.0068	.0157	.0276	.0595	.1005	.1489	.2037
42	.0000	.0013	.0062	.0144	.0256	.0561	.0957	.1429	.1966
43	.0000	.0012	.0055	.0131	.0237	.0528	.0911	.1370	.1897
44	.0000	.0010	.0050	.0120	.0219	.0496	.0865	.1312	.1827
45	.0000	.0009	.0044	.0109	.0202	.0465	.0820	.1255	.1759
46	.0000	.0008	.0039	.0099	.0185	.0435	.0776	.1199	.1692
47	.0000	.0006	.0035	.0089	.0169	.0405	.0733	.1143	.1625
48	.0000	.0005	.0030	.0080	.0154	.0377	.0692	.1089	.1558
49	.0000	.0005	.0027	.0071	.0140	.0350	.0651	.1035	.1493
50	.0000	.0004	.0023	.0063	.0127	.0323	.0611	.0982	.1428
51	.0000	.0003	.0020	.0056	.0114	.0298	.0572	.0929	.1363
52	.0000	.0003	.0017	.0049	.0102	.0274	.0534	.0878	.1300
53	.0000	.0002	.0015	.0043	.0091	.0250	.0496	.0827	.1237
54	.0000	.0002	.0012	.0037	.0081	.0228	.0460	.0777	.1176
55	.0000	.0001	.0010	.0032	.0071	.0206	.0425	.0729	.1115
56	.0000	.0001	.0009	.0028	.0062	.0186	.0391	.0681	.1055
57	.0000	.0001	.0007	.0023	.0054	.0166	.0358	.0635	.0996
58	.0000	.0001	.0006	.0020	.0046	.0148	.0327	.0589	.0938
59	.0000	.0000	.0004	.0016	.0039	.0131	.0296	.0545	.0881
60	.0000	.0000	.0004	.0013	.0033	.0115	.0267	.0502	.0826
61	.0000	.0000	.0003	.0011	.0027	.0100	.0240	.0461	.0772
62	.0000	.0000	.0002	.0008	.0023	.0086	.0213	.0421	.0719

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
63	.0000	.0000	.0002	.0007	.0018	.0073	.0189	.0383	.0668
64	.0000	.0000	.0001	.0005	.0014	.0062	.0165	.0346	.0618
65	.0000	.0000	.0001	.0004	.0011	.0051	.0144	.0311	.0569
66	.0000	.0000	.0001	.0003	.0009	.0042	.0124	.0278	.0523
67	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0246	.0478
68	.0000	.0000	.0000	.0001	.0005	.0026	.0088	.0216	.0434
69	.0000	.0000	.0000	.0001	.0003	.0020	.0073	.0188	.0393
70	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0162	.0353
71	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0137	.0314
72	.0000	.0000	.0000	.0000	.0001	.0007	.0036	.0115	.0278
73	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0096	.0246
74	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0084	.0225

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 3  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.6937	.6288	.5713	.5199	.4738	.4333	.3995	.3714	.3479	.3281	.3115	.2975	.2857	.2761
41	\$120	.6902	.6240	.5652	.5128	.4659	.4259	.3926	.3649	.3417	.3223	.3060	.2923	.2812	.2721
42	\$120	.6868	.6192	.5592	.5057	.4585	.4190	.3860	.3586	.3358	.3166	.3007	.2876	.2770	.2685
43	\$120	.6835	.6145	.5533	.4988	.4517	.4124	.3798	.3526	.3300	.3111	.2957	.2832	.2732	.2651
44	\$120	.6803	.6100	.5475	.4922	.4452	.4062	.3737	.3467	.3243	.3059	.2911	.2792	.2696	.2620
45	\$120	.6772	.6055	.5418	.4860	.4391	.4001	.3678	.3409	.3189	.3010	.2868	.2754	.2663	.2592
46	\$120	.6742	.6011	.5362	.4802	.4333	.3943	.3620	.3354	.3138	.2965	.2827	.2718	.2633	.2566
47	\$120	.6712	.5968	.5310	.4747	.4276	.3886	.3563	.3300	.3089	.2922	.2789	.2685	.2604	.2542
48	\$120	.6684	.5927	.5260	.4693	.4221	.3829	.3508	.3249	.3043	.2881	.2753	.2654	.2578	.2520
49	\$120	.6657	.5886	.5212	.4642	.4167	.3774	.3455	.3201	.2999	.2842	.2719	.2625	.2554	.2500
50	\$120	.6631	.5847	.5167	.4592	.4114	.3721	.3405	.3154	.2957	.2804	.2687	.2599	.2532	.2482
	\$250	.6633	.5849	.5150	.4525	.3968	.3474	.3045	.2677	.2363	.2098	.1874	.1685	.1527	.1395
51	\$120	.6605	.5811	.5123	.4543	.4062	.3669	.3356	.3109	.2917	.2770	.2658	.2574	.2511	.2465
	\$250	.6607	.5810	.5097	.4461	.3894	.3396	.2967	.2600	.2290	.2028	.1807	.1623	.1470	.1343
52	\$120	.6581	.5776	.5081	.4495	.4011	.3620	.3309	.3066	.2879	.2737	.2630	.2551	.2493	.2451
	\$250	.6583	.5772	.5046	.4397	.3822	.3321	.2891	.2526	.2218	.1959	.1743	.1563	.1416	.1295
53	\$120	.6558	.5743	.5040	.4448	.3962	.3571	.3263	.3024	.2842	.2705	.2604	.2530	.2476	.2437
	\$250	.6559	.5735	.4995	.4335	.3752	.3248	.2818	.2454	.2148	.1892	.1680	.1507	.1365	.1250
54	\$120	.6536	.5711	.5000	.4403	.3914	.3524	.3219	.2984	.2807	.2676	.2580	.2510	.2460	.2425
	\$250	.6537	.5699	.4946	.4274	.3685	.3178	.2747	.2383	.2080	.1828	.1621	.1453	.1317	.1207
55	\$120	.6516	.5681	.4961	.4358	.3868	.3478	.3176	.2946	.2774	.2648	.2557	.2492	.2446	.2415
	\$250	.6516	.5664	.4897	.4215	.3620	.3110	.2677	.2314	.2013	.1766	.1564	.1402	.1271	.1168
56	\$120	.6497	.5652	.4924	.4315	.3822	.3434	.3135	.2909	.2743	.2623	.2536	.2476	.2434	.2405
	\$250	.6495	.5630	.4850	.4158	.3556	.3043	.2609	.2247	.1949	.1706	.1510	.1353	.1229	.1131
57	\$120	.6479	.5624	.4887	.4273	.3778	.3390	.3095	.2874	.2713	.2598	.2517	.2461	.2423	.2397
	\$250	.6476	.5597	.4804	.4103	.3495	.2977	.2542	.2181	.1886	.1648	.1458	.1307	.1188	.1096
58	\$120	.6462	.5597	.4852	.4232	.3735	.3348	.3056	.2841	.2685	.2576	.2499	.2447	.2412	.2389
	\$250	.6458	.5566	.4760	.4049	.3435	.2913	.2477	.2117	.1826	.1593	.1408	.1263	.1151	.1065
	\$500	.6458	.5567	.4759	.4037	.3401	.2846	.2368	.1960	.1616	.1329	.1090	.0894	.0734	.0604
59	\$120	.6447	.5572	.4817	.4192	.3693	.3308	.3019	.2809	.2659	.2554	.2483	.2435	.2403	.2383

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$250	.6440	.5536	.4718	.3998	.3376	.2850	.2413	.2055	.1768	.1539	.1360	.1222	.1116	.1035
	\$500	.6441	.5536	.4715	.3981	.3334	.2772	.2290	.1881	.1539	.1255	.1021	.0831	.0677	.0553
60	\$120	.6432	.5548	.4784	.4153	.3652	.3268	.2983	.2778	.2634	.2535	.2468	.2424	.2395	.2377
	\$250	.6424	.5507	.4678	.3948	.3318	.2788	.2350	.1995	.1711	.1488	.1316	.1183	.1083	.1008
	\$500	.6425	.5507	.4672	.3925	.3268	.2699	.2214	.1804	.1464	.1183	.0955	.0770	.0623	.0506
61	\$120	.6419	.5524	.4752	.4115	.3613	.3230	.2949	.2749	.2610	.2516	.2454	.2414	.2388	.2372
	\$250	.6409	.5480	.4640	.3899	.3262	.2728	.2290	.1936	.1657	.1440	.1273	.1147	.1053	.0983
	\$500	.6410	.5479	.4631	.3871	.3204	.2628	.2139	.1729	.1390	.1114	.0891	.0713	.0572	.0461
62	\$120	.6407	.5502	.4721	.4079	.3574	.3193	.2916	.2721	.2588	.2500	.2442	.2405	.2382	.2368
	\$250	.6396	.5455	.4603	.3852	.3208	.2670	.2231	.1880	.1605	.1393	.1233	.1113	.1025	.0961
	\$500	.6396	.5453	.4591	.3819	.3141	.2558	.2065	.1655	.1319	.1047	.0830	.0658	.0524	.0420
63	\$120	.6395	.5481	.4691	.4043	.3537	.3158	.2885	.2695	.2568	.2484	.2431	.2397	.2377	.2365
	\$250	.6383	.5432	.4567	.3806	.3154	.2613	.2173	.1824	.1554	.1349	.1195	.1082	.1000	.0941
	\$500	.6383	.5428	.4552	.3767	.3080	.2490	.1994	.1583	.1250	.0982	.0771	.0606	.0479	.0382
64	\$120	.6385	.5462	.4663	.4009	.3500	.3123	.2855	.2671	.2549	.2470	.2421	.2390	.2372	.2362
	\$250	.6372	.5410	.4534	.3762	.3103	.2557	.2117	.1771	.1506	.1306	.1159	.1052	.0976	.0923
	\$500	.6371	.5405	.4516	.3718	.3020	.2423	.1923	.1513	.1182	.0920	.0715	.0558	.0438	.0347
	\$1,000	.6372	.5405	.4516	.3718	.3018	.2417	.1912	.1495	.1156	.0885	.0671	.0505	.0376	.0279
65	\$120	.6375	.5443	.4635	.3976	.3465	.3090	.2826	.2647	.2531	.2457	.2412	.2384	.2368	.2359
	\$250	.6362	.5389	.4502	.3719	.3052	.2503	.2063	.1720	.1460	.1266	.1126	.1026	.0955	.0906
	\$500	.6361	.5384	.4481	.3670	.2962	.2357	.1855	.1445	.1117	.0860	.0662	.0512	.0399	.0315
	\$1,000	.6361	.5384	.4481	.3669	.2958	.2350	.1840	.1423	.1087	.0821	.0613	.0454	.0333	.0242
66	\$120	.6367	.5425	.4609	.3943	.3432	.3058	.2799	.2626	.2514	.2445	.2404	.2379	.2365	.2357
	\$250	.6353	.5371	.4471	.3678	.3003	.2450	.2010	.1670	.1416	.1229	.1095	.1001	.0936	.0892
	\$500	.6352	.5364	.4448	.3624	.2905	.2294	.1787	.1378	.1054	.0803	.0612	.0469	.0363	.0287
	\$1,000	.6352	.5364	.4448	.3623	.2900	.2284	.1770	.1353	.1020	.0759	.0558	.0406	.0293	.0209
67	\$120	.6359	.5409	.4584	.3912	.3399	.3028	.2773	.2605	.2499	.2435	.2396	.2374	.2362	.2355
	\$250	.6345	.5353	.4443	.3639	.2956	.2399	.1959	.1623	.1373	.1193	.1066	.0978	.0919	.0879
	\$500	.6344	.5345	.4417	.3580	.2850	.2231	.1722	.1314	.0994	.0749	.0565	.0429	.0331	.0261
	\$1,000	.6344	.5345	.4416	.3578	.2843	.2219	.1702	.1284	.0955	.0700	.0506	.0362	.0256	.0179
68	\$120	.6352	.5393	.4560	.3883	.3368	.2999	.2748	.2586	.2485	.2425	.2390	.2370	.2359	.2354
	\$250	.6338	.5338	.4416	.3601	.2910	.2349	.1910	.1577	.1334	.1160	.1040	.0958	.0904	.0868
	\$500	.6336	.5328	.4387	.3538	.2797	.2170	.1658	.1251	.0935	.0697	.0520	.0393	.0301	.0238
	\$1,000	.6336	.5328	.4386	.3534	.2788	.2156	.1635	.1218	.0892	.0643	.0457	.0321	.0222	.0153
69	\$120	.6346	.5379	.4537	.3854	.3337	.2971	.2725	.2568	.2473	.2416	.2385	.2367	.2357	.2352
	\$250	.6332	.5323	.4390	.3564	.2866	.2301	.1862	.1533	.1296	.1129	.1015	.0940	.0890	.0859
	\$500	.6330	.5313	.4360	.3497	.2745	.2111	.1596	.1190	.0879	.0648	.0479	.0359	.0275	.0217
	\$1,000	.6330	.5313	.4358	.3493	.2735	.2094	.1569	.1153	.0831	.0589	.0411	.0283	.0192	.0129
70	\$120	.6340	.5366	.4515	.3826	.3308	.2944	.2703	.2552	.2461	.2409	.2380	.2364	.2356	.2351
	\$250	.6327	.5310	.4366	.3530	.2823	.2254	.1816	.1492	.1260	.1100	.0993	.0923	.0879	.0851
	\$500	.6325	.5300	.4334	.3458	.2694	.2053	.1536	.1131	.0826	.0601	.0440	.0328	.0251	.0199
	\$1,000	.6325	.5299	.4332	.3453	.2683	.2033	.1505	.1090	.0773	.0538	.0368	.0248	.0165	.0108
71	\$120	.6335	.5353	.4494	.3799	.3280	.2919	.2682	.2536	.2450	.2402	.2375	.2361	.2354	.2351
	\$250	.6323	.5298	.4343	.3496	.2781	.2208	.1771	.1451	.1226	.1073	.0972	.0908	.0868	.0843
	\$500	.6321	.5287	.4310	.3421	.2645	.1996	.1476	.1073	.0773	.0556	.0404	.0299	.0229	.0183
	\$1,000	.6321	.5287	.4307	.3414	.2631	.1973	.1442	.1028	.0716	.0489	.0327	.0216	.0140	.0090
72	\$120	.6331	.5342	.4475	.3775	.3254	.2895	.2664	.2523	.2441	.2396	.2372	.2359	.2353	.2350
	\$250	.6320	.5288	.4323	.3465	.2742	.2166	.1729	.1414	.1195	.1049	.0954	.0895	.0859	.0838
	\$500	.6318	.5277	.4289	.3386	.2599	.1943	.1420	.1020	.0726	.0516	.0372	.0274	.0211	.0170
	\$1,000	.6317	.5276	.4285	.3378	.2583	.1917	.1382	.0971	.0665	.0445	.0292	.0188	.0119	.0075
73	\$120	.6328	.5332	.4457	.3752	.3230	.2874	.2647	.2510	.2433	.2391	.2369	.2358	.2352	.2350
	\$250	.6317	.5280	.4305	.3437	.2706	.2126	.1691	.1380	.1167	.1027	.0939	.0884	.0852	.0833
	\$500	.6315	.5269	.4270	.3355	.2556	.1893	.1368	.0971	.0682	.0480	.0343	.0253	.0195	.0159

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$1,000	.6315	.5267	.4266	.3346	.2539	.1864	.1327	.0917	.0617	.0405	.0260	.0164	.0101	.0062
74	\$120	.6326	.5326	.4447	.3738	.3216	.2861	.2636	.2503	.2428	.2388	.2367	.2357	.2352	.2349
	\$250	.6316	.5274	.4294	.3419	.2683	.2102	.1667	.1359	.1150	.1015	.0930	.0878	.0848	.0830
	\$500	.6314	.5264	.4258	.3335	.2529	.1861	.1335	.0940	.0655	.0458	.0326	.0241	.0187	.0153
	\$1,000	.6313	.5262	.4254	.3325	.2511	.1831	.1292	.0884	.0588	.0381	.0241	.0150	.0091	.0055

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 3  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0017	.0075	.0169	.0295	.0627	.1048	.1543	.2099
41	\$120	.0000	.0015	.0068	.0155	.0274	.0592	.1000	.1482	.2028
42	\$120	.0000	.0013	.0061	.0143	.0255	.0558	.0952	.1422	.1957
43	\$120	.0000	.0012	.0055	.0130	.0236	.0525	.0905	.1363	.1888
44	\$120	.0000	.0010	.0049	.0119	.0218	.0493	.0860	.1305	.1822
45	\$120	.0000	.0009	.0044	.0108	.0200	.0462	.0815	.1248	.1760
46	\$120	.0000	.0007	.0039	.0098	.0184	.0432	.0771	.1192	.1702
47	\$120	.0000	.0006	.0034	.0088	.0168	.0402	.0728	.1140	.1647
48	\$120	.0000	.0005	.0030	.0079	.0153	.0374	.0687	.1090	.1593
49	\$120	.0000	.0005	.0026	.0071	.0139	.0347	.0646	.1042	.1542
50	\$120	.0000	.0004	.0023	.0063	.0126	.0321	.0607	.0997	.1492
	\$250	.0000	.0004	.0023	.0063	.0126	.0323	.0609	.0980	.1425
51	\$120	.0000	.0003	.0020	.0056	.0113	.0295	.0571	.0953	.1443
	\$250	.0000	.0003	.0020	.0056	.0114	.0297	.0570	.0927	.1361
52	\$120	.0000	.0003	.0017	.0049	.0101	.0271	.0536	.0911	.1395
	\$250	.0000	.0003	.0017	.0049	.0102	.0273	.0532	.0876	.1297
53	\$120	.0000	.0002	.0014	.0043	.0090	.0248	.0503	.0870	.1348
	\$250	.0000	.0002	.0015	.0043	.0091	.0249	.0495	.0825	.1235
54	\$120	.0000	.0002	.0012	.0037	.0080	.0226	.0471	.0830	.1303
	\$250	.0000	.0002	.0012	.0037	.0080	.0227	.0459	.0776	.1174
55	\$120	.0000	.0001	.0010	.0032	.0070	.0206	.0441	.0791	.1258
	\$250	.0000	.0001	.0010	.0032	.0071	.0206	.0424	.0727	.1115
56	\$120	.0000	.0001	.0008	.0027	.0061	.0187	.0412	.0754	.1215
	\$250	.0000	.0001	.0008	.0027	.0062	.0185	.0390	.0680	.1058
57	\$120	.0000	.0001	.0007	.0023	.0053	.0169	.0384	.0717	.1173
	\$250	.0000	.0001	.0007	.0023	.0053	.0166	.0357	.0634	.1003
58	\$120	.0000	.0001	.0006	.0019	.0045	.0152	.0357	.0682	.1132
	\$250	.0000	.0001	.0006	.0019	.0046	.0148	.0326	.0590	.0949
	\$500	.0000	.0001	.0006	.0019	.0046	.0148	.0327	.0589	.0937
59	\$120	.0000	.0000	.0004	.0016	.0039	.0137	.0332	.0647	.1092
	\$250	.0000	.0000	.0004	.0016	.0039	.0130	.0296	.0548	.0898

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$500	.0000	.0000	.0004	.0016	.0039	.0131	.0296	.0545	.0881
60	\$120	.0000	.0000	.0003	.0013	.0033	.0122	.0308	.0614	.1053
	\$250	.0000	.0000	.0004	.0013	.0033	.0114	.0267	.0508	.0848
	\$500	.0000	.0000	.0004	.0013	.0033	.0115	.0267	.0502	.0825
61	\$120	.0000	.0000	.0003	.0011	.0028	.0109	.0284	.0582	.1015
	\$250	.0000	.0000	.0003	.0011	.0027	.0099	.0240	.0470	.0799
	\$500	.0000	.0000	.0003	.0011	.0027	.0100	.0239	.0461	.0771
62	\$120	.0000	.0000	.0002	.0008	.0023	.0097	.0262	.0551	.0979
	\$250	.0000	.0000	.0002	.0008	.0022	.0086	.0215	.0433	.0752
	\$500	.0000	.0000	.0002	.0008	.0023	.0086	.0213	.0421	.0719
63	\$120	.0000	.0000	.0002	.0007	.0019	.0085	.0241	.0521	.0943
	\$250	.0000	.0000	.0002	.0007	.0018	.0073	.0192	.0397	.0706
	\$500	.0000	.0000	.0002	.0007	.0018	.0073	.0188	.0382	.0667
64	\$120	.0000	.0000	.0001	.0005	.0015	.0075	.0222	.0493	.0909
	\$250	.0000	.0000	.0001	.0005	.0014	.0062	.0170	.0364	.0662
	\$500	.0000	.0000	.0001	.0005	.0014	.0061	.0165	.0346	.0618
	\$1,000	.0000	.0000	.0001	.0005	.0014	.0062	.0165	.0346	.0618
65	\$120	.0000	.0000	.0001	.0004	.0012	.0065	.0203	.0465	.0876
	\$250	.0000	.0000	.0001	.0004	.0011	.0052	.0149	.0332	.0619
	\$500	.0000	.0000	.0001	.0004	.0011	.0051	.0144	.0311	.0570
	\$1,000	.0000	.0000	.0001	.0004	.0011	.0051	.0144	.0311	.0569
66	\$120	.0000	.0000	.0001	.0003	.0010	.0057	.0185	.0439	.0843
	\$250	.0000	.0000	.0001	.0003	.0009	.0043	.0131	.0301	.0578
	\$500	.0000	.0000	.0001	.0003	.0009	.0042	.0124	.0278	.0524
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0042	.0124	.0278	.0523
67	\$120	.0000	.0000	.0000	.0002	.0008	.0049	.0169	.0414	.0812
	\$250	.0000	.0000	.0000	.0002	.0006	.0035	.0113	.0273	.0539
	\$500	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0247	.0480
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0246	.0478
68	\$120	.0000	.0000	.0000	.0002	.0006	.0042	.0153	.0390	.0783
	\$250	.0000	.0000	.0000	.0001	.0005	.0028	.0098	.0246	.0501
	\$500	.0000	.0000	.0000	.0001	.0005	.0026	.0088	.0217	.0438
	\$1,000	.0000	.0000	.0000	.0001	.0005	.0026	.0088	.0216	.0434
69	\$120	.0000	.0000	.0000	.0001	.0005	.0036	.0139	.0367	.0754
	\$250	.0000	.0000	.0000	.0001	.0003	.0022	.0083	.0220	.0464
	\$500	.0000	.0000	.0000	.0001	.0003	.0020	.0073	.0190	.0397
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0020	.0073	.0188	.0393
70	\$120	.0000	.0000	.0000	.0001	.0003	.0030	.0126	.0345	.0726
	\$250	.0000	.0000	.0000	.0001	.0002	.0017	.0070	.0196	.0430
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0060	.0164	.0358
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0162	.0353
71	\$120	.0000	.0000	.0000	.0000	.0003	.0025	.0113	.0324	.0699
	\$250	.0000	.0000	.0000	.0000	.0001	.0013	.0058	.0173	.0396
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0140	.0321

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0137	.0314
72	\$120	.0000	.0000	.0000	.0000	.0002	.0021	.0102	.0305	.0675
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0048	.0153	.0365
	\$500	.0000	.0000	.0000	.0000	.0001	.0008	.0037	.0119	.0286
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0007	.0036	.0115	.0278
73	\$120	.0000	.0000	.0000	.0000	.0001	.0018	.0092	.0287	.0652
	\$250	.0000	.0000	.0000	.0000	.0000	.0007	.0040	.0135	.0337
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0100	.0255
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0027	.0096	.0246
74	\$120	.0000	.0000	.0000	.0000	.0001	.0016	.0086	.0277	.0638
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0034	.0124	.0319
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0088	.0235
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0003	.0022	.0084	.0225

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 3  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9094	.8907	.8742	.8592	.8454	.8326	.8205	.8091	.7982	.7879	.7780	.7684	.7593	.7504
2	.9038	.8840	.8665	.8506	.8359	.8223	.8095	.7973	.7858	.7748	.7643	.7542	.7445	.7351
3	.8984	.8774	.8589	.8420	.8265	.8121	.7985	.7857	.7735	.7619	.7508	.7401	.7299	.7200
4	.8929	.8708	.8513	.8335	.8171	.8018	.7875	.7740	.7611	.7489	.7372	.7260	.7152	.7048
5	.8876	.8643	.8437	.8250	.8077	.7916	.7765	.7623	.7488	.7359	.7237	.7119	.7006	.6897
6	.8823	.8579	.8362	.8165	.7984	.7815	.7656	.7507	.7366	.7231	.7102	.6979	.6860	.6746
7	.8771	.8515	.8287	.8081	.7891	.7714	.7548	.7392	.7244	.7103	.6968	.6840	.6716	.6597
8	.8719	.8452	.8214	.7997	.7799	.7614	.7441	.7277	.7123	.6976	.6836	.6701	.6573	.6449
9	.8668	.8389	.8140	.7915	.7707	.7514	.7333	.7163	.7002	.6849	.6704	.6564	.6431	.6303
10	.8618	.8326	.8067	.7832	.7616	.7415	.7227	.7050	.6883	.6724	.6572	.6428	.6290	.6157
11	.8568	.8265	.7995	.7750	.7525	.7316	.7121	.6937	.6763	.6599	.6442	.6292	.6149	.6013
12	.8519	.8203	.7923	.7668	.7435	.7218	.7015	.6825	.6645	.6474	.6312	.6158	.6010	.5869
13	.8470	.8142	.7851	.7587	.7345	.7120	.6910	.6713	.6527	.6351	.6183	.6024	.5872	.5727
14	.8421	.8082	.7780	.7506	.7255	.7022	.6805	.6601	.6409	.6228	.6055	.5891	.5735	.5586
15	.8373	.8021	.7709	.7426	.7166	.6925	.6701	.6490	.6292	.6105	.5928	.5759	.5599	.5446
16	.8325	.7961	.7638	.7345	.7077	.6828	.6597	.6380	.6176	.5983	.5801	.5628	.5464	.5307
17	.8278	.7902	.7568	.7265	.6988	.6731	.6493	.6270	.6060	.5862	.5675	.5498	.5330	.5169
18	.8231	.7843	.7498	.7185	.6899	.6635	.6389	.6160	.5944	.5742	.5550	.5369	.5196	.5033
19	.8184	.7784	.7428	.7106	.6811	.6539	.6286	.6051	.5830	.5622	.5426	.5240	.5064	.4897
20	.8138	.7725	.7358	.7026	.6723	.6443	.6184	.5942	.5715	.5502	.5302	.5112	.4933	.4763
21	.8092	.7667	.7289	.6947	.6635	.6348	.6081	.5833	.5601	.5383	.5178	.4985	.4802	.4629
22	.8047	.7609	.7220	.6868	.6547	.6252	.5979	.5725	.5487	.5265	.5056	.4859	.4672	.4496
23	.8001	.7551	.7151	.6789	.6460	.6157	.5877	.5617	.5374	.5147	.4934	.4733	.4543	.4364
24	.7956	.7493	.7082	.6711	.6372	.6062	.5775	.5509	.5261	.5029	.4812	.4608	.4415	.4233
25	.7912	.7436	.7013	.6632	.6285	.5967	.5674	.5402	.5149	.4912	.4691	.4483	.4287	.4102
26	.7868	.7379	.6945	.6554	.6198	.5872	.5572	.5295	.5036	.4795	.4570	.4359	.4160	.3973
27	.7824	.7322	.6876	.6475	.6111	.5778	.5471	.5188	.4924	.4679	.4450	.4235	.4033	.3843
28	.7780	.7265	.6808	.6397	.6024	.5683	.5370	.5081	.4812	.4563	.4330	.4112	.3907	.3715

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
29	.7737	.7209	.6740	.6319	.5938	.5589	.5269	.4974	.4701	.4447	.4210	.3989	.3782	.3587
30	.7694	.7153	.6673	.6241	.5851	.5495	.5168	.4868	.4590	.4331	.4091	.3866	.3656	.3459
31	.7652	.7097	.6605	.6164	.5765	.5401	.5068	.4762	.4479	.4216	.3972	.3744	.3531	.3331
32	.7610	.7041	.6538	.6086	.5678	.5307	.4967	.4655	.4367	.4101	.3853	.3622	.3406	.3204
33	.7568	.6986	.6471	.6009	.5592	.5213	.4867	.4549	.4256	.3986	.3734	.3500	.3281	.3077
34	.7527	.6932	.6404	.5932	.5506	.5119	.4766	.4443	.4145	.3870	.3615	.3378	.3156	.2950
35	.7486	.6877	.6337	.5855	.5420	.5025	.4665	.4336	.4034	.3754	.3496	.3255	.3032	.2823
36	.7446	.6823	.6271	.5777	.5333	.4931	.4564	.4229	.3922	.3638	.3376	.3132	.2907	.2697
37	.7406	.6769	.6205	.5700	.5247	.4836	.4463	.4122	.3810	.3522	.3256	.3010	.2783	.2572
38	.7367	.6716	.6139	.5624	.5161	.4742	.4362	.4015	.3697	.3405	.3136	.2888	.2660	.2449
39	.7328	.6663	.6073	.5547	.5075	.4648	.4261	.3908	.3585	.3289	.3017	.2768	.2538	.2328
40	.7290	.6611	.6009	.5471	.4989	.4554	.4160	.3801	.3473	.3174	.2899	.2649	.2419	.2209
41	.7254	.6560	.5945	.5396	.4904	.4461	.4060	.3695	.3362	.3059	.2783	.2531	.2302	.2093
42	.7218	.6510	.5882	.5322	.4820	.4368	.3960	.3589	.3252	.2947	.2669	.2417	.2187	.1979
43	.7183	.6461	.5820	.5249	.4737	.4276	.3861	.3484	.3144	.2836	.2557	.2304	.2076	.1869
44	.7149	.6413	.5759	.5176	.4654	.4185	.3762	.3381	.3037	.2726	.2446	.2194	.1967	.1762
45	.7116	.6366	.5699	.5104	.4572	.4094	.3665	.3278	.2931	.2619	.2338	.2086	.1860	.1658
46	.7085	.6320	.5639	.5033	.4491	.4005	.3568	.3177	.2827	.2513	.2232	.1981	.1757	.1557
47	.7054	.6275	.5581	.4963	.4410	.3915	.3473	.3077	.2724	.2409	.2128	.1879	.1657	.1460
48	.7024	.6231	.5524	.4893	.4330	.3827	.3378	.2979	.2623	.2307	.2027	.1778	.1559	.1365
49	.6996	.6188	.5467	.4824	.4251	.3739	.3285	.2881	.2523	.2206	.1927	.1681	.1464	.1274
50	.6968	.6146	.5411	.4756	.4172	.3653	.3192	.2784	.2425	.2108	.1830	.1586	.1372	.1186
51	.6941	.6105	.5356	.4689	.4094	.3567	.3100	.2689	.2328	.2011	.1734	.1493	.1283	.1101
52	.6916	.6065	.5302	.4622	.4017	.3482	.3010	.2595	.2233	.1916	.1641	.1403	.1197	.1019
53	.6891	.6026	.5249	.4556	.3941	.3397	.2920	.2502	.2139	.1823	.1550	.1315	.1113	.0941
54	.6867	.5988	.5197	.4491	.3865	.3314	.2832	.2411	.2047	.1732	.1462	.1230	.1033	.0865
55	.6845	.5951	.5146	.4427	.3791	.3232	.2744	.2321	.1956	.1643	.1375	.1148	.0955	.0793
56	.6823	.5915	.5096	.4364	.3717	.3151	.2658	.2232	.1867	.1555	.1291	.1068	.0881	.0724
57	.6803	.5881	.5047	.4302	.3645	.3070	.2572	.2144	.1779	.1470	.1209	.0991	.0809	.0658
58	.6784	.5847	.4999	.4242	.3574	.2991	.2488	.2058	.1693	.1386	.1129	.0916	.0740	.0596
59	.6766	.5815	.4953	.4182	.3503	.2913	.2405	.1973	.1609	.1304	.1052	.0844	.0675	.0537
60	.6749	.5785	.4908	.4124	.3434	.2835	.2323	.1889	.1526	.1225	.0977	.0776	.0612	.0481
61	.6733	.5756	.4864	.4067	.3366	.2759	.2242	.1807	.1445	.1148	.0905	.0709	.0553	.0428
62	.6718	.5728	.4823	.4012	.3299	.2685	.2163	.1727	.1367	.1073	.0836	.0647	.0497	.0379
63	.6705	.5702	.4782	.3958	.3234	.2611	.2085	.1648	.1289	.1000	.0769	.0587	.0444	.0334
64	.6693	.5678	.4744	.3905	.3170	.2539	.2009	.1570	.1214	.0930	.0705	.0530	.0395	.0292
65	.6682	.5655	.4707	.3854	.3107	.2468	.1933	.1495	.1142	.0862	.0644	.0476	.0349	.0254
66	.6672	.5634	.4672	.3805	.3046	.2399	.1860	.1421	.1071	.0797	.0586	.0426	.0307	.0219
67	.6663	.5615	.4639	.3758	.2987	.2331	.1788	.1349	.1002	.0734	.0531	.0379	.0268	.0187
68	.6656	.5597	.4608	.3713	.2929	.2264	.1717	.1279	.0936	.0675	.0479	.0336	.0232	.0159
69	.6649	.5581	.4578	.3669	.2873	.2199	.1648	.1211	.0873	.0618	.0431	.0296	.0200	.0134
70	.6644	.5566	.4551	.3627	.2818	.2136	.1581	.1145	.0812	.0564	.0386	.0259	.0171	.0112
71	.6639	.5553	.4525	.3586	.2764	.2072	.1514	.1079	.0752	.0512	.0343	.0225	.0145	.0092
72	.6636	.5542	.4501	.3548	.2713	.2013	.1452	.1019	.0697	.0466	.0305	.0195	.0123	.0076
73	.6633	.5533	.4481	.3514	.2666	.1958	.1393	.0963	.0647	.0424	.0271	.0170	.0104	.0063
74	.6632	.5528	.4469	.3493	.2637	.1923	.1356	.0927	.0616	.0398	.0251	.0155	.0094	.0056

## Loss-Based Plan, with no Single Loss Limit

**Insurance Savings Table**  
**Hazard Group 3**  
**Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0344	.0721	.1130	.1562	.2466	.3403	.4362	.5336
2	.0000	.0327	.0693	.1094	.1519	.2410	.3336	.4285	.5250
3	.0000	.0310	.0666	.1059	.1477	.2355	.3270	.4209	.5164
4	.0000	.0293	.0639	.1025	.1436	.2301	.3204	.4132	.5078
5	.0000	.0278	.0614	.0992	.1396	.2248	.3139	.4057	.4993
6	.0000	.0263	.0590	.0960	.1356	.2195	.3075	.3982	.4909
7	.0000	.0248	.0567	.0929	.1317	.2143	.3011	.3907	.4825
8	.0000	.0235	.0544	.0898	.1279	.2091	.2947	.3833	.4741
9	.0000	.0222	.0523	.0868	.1241	.2040	.2885	.3760	.4658
10	.0000	.0210	.0501	.0839	.1204	.1990	.2822	.3687	.4576
11	.0000	.0198	.0481	.0810	.1168	.1940	.2760	.3615	.4494
12	.0000	.0187	.0461	.0782	.1132	.1890	.2699	.3543	.4412
13	.0000	.0177	.0442	.0754	.1097	.1841	.2638	.3471	.4331
14	.0000	.0167	.0423	.0727	.1062	.1793	.2577	.3400	.4250
15	.0000	.0157	.0404	.0701	.1028	.1745	.2517	.3328	.4169
16	.0000	.0148	.0386	.0674	.0994	.1697	.2457	.3258	.4089
17	.0000	.0139	.0369	.0649	.0961	.1650	.2398	.3188	.4009
18	.0000	.0130	.0352	.0623	.0928	.1603	.2339	.3117	.3929
19	.0000	.0122	.0335	.0599	.0895	.1556	.2280	.3048	.3849
20	.0000	.0115	.0319	.0574	.0863	.1510	.2221	.2978	.3770
21	.0000	.0107	.0303	.0550	.0831	.1464	.2163	.2909	.3691
22	.0000	.0100	.0288	.0527	.0800	.1418	.2104	.2839	.3612
23	.0000	.0093	.0273	.0503	.0769	.1373	.2047	.2770	.3533
24	.0000	.0087	.0258	.0481	.0738	.1328	.1989	.2701	.3454
25	.0000	.0080	.0244	.0458	.0708	.1284	.1932	.2633	.3376
26	.0000	.0074	.0230	.0436	.0679	.1239	.1874	.2564	.3297
27	.0000	.0069	.0217	.0415	.0649	.1196	.1818	.2496	.3219
28	.0000	.0063	.0204	.0394	.0620	.1152	.1761	.2428	.3141
29	.0000	.0058	.0191	.0373	.0592	.1109	.1705	.2360	.3063
30	.0000	.0053	.0179	.0353	.0564	.1066	.1648	.2292	.2985
31	.0000	.0049	.0167	.0333	.0536	.1024	.1593	.2225	.2908
32	.0000	.0044	.0155	.0314	.0509	.0981	.1537	.2158	.2830
33	.0000	.0040	.0144	.0295	.0483	.0940	.1482	.2091	.2753
34	.0000	.0037	.0134	.0277	.0457	.0899	.1427	.2024	.2675
35	.0000	.0033	.0124	.0259	.0431	.0858	.1373	.1957	.2598
36	.0000	.0030	.0114	.0242	.0406	.0818	.1319	.1891	.2521
37	.0000	.0026	.0105	.0225	.0381	.0778	.1265	.1824	.2444
38	.0000	.0024	.0096	.0209	.0357	.0739	.1211	.1758	.2367
39	.0000	.0021	.0087	.0194	.0334	.0700	.1159	.1693	.2291
40	.0000	.0018	.0079	.0179	.0312	.0662	.1107	.1628	.2215
41	.0000	.0016	.0072	.0164	.0290	.0625	.1056	.1564	.2140
42	.0000	.0014	.0065	.0151	.0269	.0590	.1006	.1502	.2066

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
43	.0000	.0012	.0058	.0138	.0249	.0555	.0956	.1440	.1992
44	.0000	.0011	.0052	.0126	.0230	.0521	.0908	.1378	.1920
45	.0000	.0009	.0046	.0114	.0212	.0488	.0861	.1318	.1848
46	.0000	.0008	.0041	.0104	.0195	.0457	.0815	.1259	.1777
47	.0000	.0007	.0036	.0093	.0178	.0426	.0770	.1201	.1706
48	.0000	.0006	.0032	.0084	.0162	.0396	.0726	.1143	.1637
49	.0000	.0005	.0028	.0075	.0147	.0367	.0683	.1087	.1568
50	.0000	.0004	.0024	.0067	.0133	.0340	.0641	.1031	.1500
51	.0000	.0003	.0021	.0059	.0120	.0313	.0600	.0976	.1432
52	.0000	.0003	.0018	.0052	.0107	.0287	.0560	.0922	.1366
53	.0000	.0002	.0015	.0045	.0096	.0263	.0521	.0869	.1300
54	.0000	.0002	.0013	.0039	.0085	.0239	.0483	.0817	.1235
55	.0000	.0001	.0011	.0034	.0074	.0217	.0447	.0766	.1171
56	.0000	.0001	.0009	.0029	.0065	.0195	.0411	.0715	.1108
57	.0000	.0001	.0007	.0024	.0056	.0175	.0376	.0667	.1046
58	.0000	.0001	.0006	.0020	.0048	.0156	.0343	.0619	.0985
59	.0000	.0001	.0005	.0017	.0041	.0137	.0311	.0573	.0926
60	.0000	.0000	.0004	.0014	.0035	.0121	.0281	.0528	.0868
61	.0000	.0000	.0003	.0011	.0029	.0105	.0252	.0484	.0811
62	.0000	.0000	.0002	.0009	.0024	.0090	.0224	.0442	.0755
63	.0000	.0000	.0002	.0007	.0019	.0077	.0198	.0402	.0701
64	.0000	.0000	.0001	.0005	.0015	.0065	.0174	.0364	.0649
65	.0000	.0000	.0001	.0004	.0012	.0054	.0151	.0327	.0598
66	.0000	.0000	.0001	.0003	.0009	.0044	.0130	.0292	.0549
67	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0259	.0502
68	.0000	.0000	.0000	.0001	.0005	.0028	.0093	.0227	.0456
69	.0000	.0000	.0000	.0001	.0003	.0021	.0077	.0198	.0412
70	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0170	.0371
71	.0000	.0000	.0000	.0000	.0001	.0011	.0049	.0144	.0329
72	.0000	.0000	.0000	.0000	.0001	.0008	.0038	.0121	.0292
73	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0101	.0258
74	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0088	.0237

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 3  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7287	.6605	.6001	.5461	.4977	.4552	.4197	.3901	.3654	.3447	.3272	.3125	.3001	.2900
41	\$120	.7250	.6554	.5937	.5386	.4894	.4474	.4124	.3833	.3589	.3386	.3214	.3071	.2954	.2858
42	\$120	.7214	.6504	.5874	.5312	.4817	.4401	.4055	.3767	.3527	.3326	.3158	.3021	.2910	.2820
43	\$120	.7180	.6455	.5812	.5239	.4745	.4332	.3989	.3704	.3466	.3268	.3106	.2975	.2870	.2785
44	\$120	.7146	.6407	.5751	.5170	.4677	.4266	.3925	.3642	.3406	.3213	.3057	.2932	.2832	.2753
45	\$120	.7113	.6360	.5691	.5105	.4613	.4203	.3863	.3581	.3349	.3162	.3012	.2893	.2798	.2722
46	\$120	.7082	.6314	.5633	.5044	.4551	.4142	.3802	.3523	.3296	.3114	.2970	.2855	.2765	.2695

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
47	\$120	.7051	.6269	.5577	.4986	.4492	.4081	.3743	.3467	.3245	.3069	.2930	.2820	.2735	.2670
48	\$120	.7021	.6226	.5525	.4930	.4434	.4023	.3685	.3413	.3197	.3026	.2892	.2788	.2708	.2647
49	\$120	.6993	.6183	.5475	.4876	.4377	.3965	.3630	.3362	.3151	.2985	.2856	.2758	.2683	.2626
50	\$120	.6965	.6142	.5427	.4824	.4321	.3909	.3576	.3313	.3106	.2946	.2823	.2730	.2659	.2607
	\$250	.6967	.6144	.5409	.4753	.4168	.3650	.3199	.2812	.2483	.2204	.1969	.1770	.1604	.1465
51	\$120	.6938	.6104	.5381	.4772	.4267	.3854	.3525	.3266	.3064	.2909	.2792	.2704	.2638	.2590
	\$250	.6940	.6103	.5354	.4686	.4090	.3568	.3116	.2731	.2405	.2130	.1898	.1705	.1544	.1411
52	\$120	.6913	.6067	.5337	.4722	.4213	.3802	.3476	.3220	.3024	.2875	.2763	.2680	.2619	.2574
	\$250	.6915	.6063	.5300	.4619	.4015	.3488	.3037	.2653	.2330	.2058	.1831	.1642	.1487	.1360
53	\$120	.6889	.6032	.5294	.4673	.4162	.3751	.3427	.3177	.2985	.2842	.2735	.2657	.2601	.2560
	\$250	.6890	.6024	.5247	.4553	.3941	.3412	.2960	.2578	.2256	.1988	.1765	.1582	.1434	.1313
54	\$120	.6866	.5999	.5252	.4625	.4112	.3702	.3381	.3135	.2949	.2811	.2710	.2637	.2585	.2548
	\$250	.6867	.5986	.5195	.4489	.3871	.3338	.2885	.2504	.2184	.1920	.1703	.1526	.1383	.1268
55	\$120	.6844	.5968	.5211	.4578	.4063	.3654	.3336	.3095	.2914	.2782	.2686	.2618	.2570	.2536
	\$250	.6844	.5950	.5144	.4427	.3802	.3266	.2812	.2431	.2115	.1855	.1643	.1472	.1335	.1227
56	\$120	.6824	.5937	.5172	.4533	.4015	.3607	.3293	.3056	.2881	.2755	.2664	.2601	.2557	.2526
	\$250	.6823	.5914	.5094	.4367	.3736	.3196	.2740	.2360	.2047	.1792	.1586	.1421	.1290	.1188
57	\$120	.6805	.5908	.5133	.4489	.3969	.3561	.3251	.3019	.2850	.2729	.2644	.2585	.2545	.2517
	\$250	.6802	.5880	.5046	.4309	.3671	.3127	.2670	.2291	.1982	.1731	.1531	.1373	.1248	.1152
58	\$120	.6788	.5880	.5096	.4445	.3923	.3517	.3210	.2984	.2821	.2705	.2625	.2571	.2534	.2510
	\$250	.6783	.5846	.5000	.4253	.3608	.3060	.2601	.2224	.1918	.1673	.1479	.1327	.1209	.1118
	\$500	.6784	.5847	.4999	.4241	.3573	.2990	.2487	.2059	.1698	.1396	.1145	.0939	.0771	.0634
59	\$120	.6772	.5853	.5060	.4403	.3879	.3474	.3171	.2950	.2793	.2683	.2608	.2558	.2525	.2503
	\$250	.6765	.5815	.4956	.4199	.3546	.2994	.2534	.2159	.1857	.1617	.1429	.1283	.1172	.1087
	\$500	.6765	.5815	.4952	.4181	.3502	.2912	.2405	.1976	.1617	.1318	.1073	.0873	.0711	.0581
60	\$120	.6757	.5827	.5025	.4363	.3836	.3433	.3134	.2918	.2767	.2662	.2592	.2546	.2516	.2497
	\$250	.6748	.5785	.4914	.4147	.3486	.2929	.2469	.2096	.1798	.1563	.1382	.1243	.1138	.1059
	\$500	.6749	.5785	.4908	.4123	.3433	.2835	.2325	.1895	.1538	.1243	.1003	.0809	.0654	.0531
61	\$120	.6743	.5803	.4992	.4323	.3795	.3393	.3098	.2888	.2742	.2643	.2578	.2536	.2509	.2492
	\$250	.6732	.5757	.4873	.4095	.3427	.2866	.2405	.2034	.1740	.1512	.1337	.1205	.1106	.1033
	\$500	.6733	.5756	.4864	.4066	.3366	.2761	.2247	.1816	.1460	.1170	.0936	.0749	.0601	.0485
62	\$120	.6730	.5780	.4959	.4285	.3754	.3354	.3063	.2859	.2719	.2626	.2565	.2526	.2502	.2487
	\$250	.6718	.5730	.4835	.4046	.3369	.2804	.2343	.1974	.1685	.1463	.1295	.1169	.1077	.1010
	\$500	.6718	.5728	.4822	.4011	.3300	.2687	.2170	.1739	.1386	.1100	.0872	.0691	.0550	.0441
63	\$120	.6718	.5758	.4928	.4247	.3715	.3317	.3030	.2831	.2697	.2609	.2553	.2518	.2497	.2484
	\$250	.6705	.5706	.4798	.3998	.3313	.2744	.2282	.1916	.1633	.1417	.1255	.1136	.1050	.0988
	\$500	.6705	.5702	.4782	.3957	.3235	.2615	.2094	.1663	.1313	.1032	.0810	.0637	.0503	.0401
64	\$120	.6707	.5737	.4898	.4211	.3677	.3281	.2999	.2805	.2677	.2595	.2543	.2511	.2492	.2481
	\$250	.6693	.5683	.4762	.3951	.3259	.2686	.2224	.1861	.1582	.1372	.1218	.1105	.1025	.0969
	\$500	.6693	.5678	.4744	.3906	.3172	.2545	.2020	.1589	.1242	.0967	.0751	.0586	.0460	.0365
	\$1,000	.6693	.5678	.4744	.3905	.3170	.2539	.2008	.1570	.1214	.0930	.0705	.0530	.0395	.0293
65	\$120	.6697	.5717	.4869	.4176	.3640	.3246	.2969	.2781	.2658	.2581	.2533	.2505	.2488	.2478
	\$250	.6682	.5661	.4729	.3907	.3206	.2629	.2167	.1807	.1533	.1330	.1183	.1077	.1003	.0952
	\$500	.6682	.5655	.4707	.3855	.3111	.2476	.1948	.1518	.1174	.0904	.0696	.0538	.0419	.0331
	\$1,000	.6682	.5655	.4707	.3854	.3107	.2468	.1933	.1495	.1142	.0862	.0644	.0477	.0350	.0255
66	\$120	.6688	.5699	.4841	.4142	.3605	.3212	.2940	.2758	.2641	.2569	.2525	.2499	.2484	.2476
	\$250	.6673	.5641	.4697	.3863	.3155	.2573	.2111	.1755	.1487	.1291	.1150	.1051	.0983	.0937
	\$500	.6672	.5634	.4672	.3807	.3051	.2409	.1878	.1448	.1107	.0844	.0643	.0493	.0382	.0301
	\$1,000	.6672	.5634	.4672	.3805	.3046	.2399	.1860	.1421	.1071	.0797	.0586	.0427	.0308	.0220
67	\$120	.6680	.5682	.4815	.4110	.3570	.3181	.2913	.2737	.2625	.2557	.2517	.2494	.2481	.2474
	\$250	.6665	.5623	.4667	.3822	.3105	.2520	.2058	.1705	.1443	.1254	.1120	.1028	.0965	.0924
	\$500	.6663	.5615	.4639	.3761	.2994	.2344	.1809	.1380	.1044	.0787	.0593	.0451	.0348	.0274
	\$1,000	.6663	.5615	.4639	.3758	.2987	.2331	.1788	.1349	.1003	.0735	.0532	.0380	.0269	.0188

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
68	\$120	.6672	.5665	.4790	.4078	.3537	.3150	.2887	.2717	.2611	.2547	.2511	.2490	.2478	.2472
	\$250	.6658	.5607	.4638	.3782	.3057	.2467	.2006	.1657	.1401	.1219	.1092	.1006	.0949	.0912
	\$500	.6656	.5597	.4609	.3716	.2938	.2280	.1742	.1314	.0983	.0732	.0547	.0412	.0317	.0250
	\$1,000	.6656	.5597	.4608	.3713	.2929	.2264	.1717	.1279	.0937	.0676	.0480	.0337	.0234	.0160
69	\$120	.6666	.5650	.4766	.4048	.3506	.3121	.2863	.2698	.2597	.2538	.2505	.2486	.2476	.2471
	\$250	.6651	.5592	.4611	.3744	.3010	.2417	.1956	.1611	.1361	.1186	.1067	.0987	.0935	.0902
	\$500	.6649	.5581	.4580	.3673	.2883	.2217	.1676	.1250	.0924	.0680	.0503	.0377	.0289	.0228
	\$1,000	.6649	.5581	.4578	.3669	.2873	.2199	.1648	.1211	.0873	.0619	.0432	.0297	.0202	.0135
70	\$120	.6660	.5636	.4743	.4019	.3475	.3093	.2840	.2681	.2585	.2530	.2500	.2483	.2474	.2470
	\$250	.6646	.5578	.4586	.3708	.2965	.2368	.1907	.1567	.1324	.1156	.1043	.0970	.0923	.0894
	\$500	.6644	.5567	.4553	.3633	.2830	.2157	.1613	.1188	.0867	.0631	.0462	.0344	.0264	.0209
	\$1,000	.6644	.5566	.4551	.3627	.2818	.2136	.1581	.1145	.0812	.0565	.0387	.0260	.0173	.0114
71	\$120	.6655	.5623	.4721	.3991	.3445	.3066	.2818	.2664	.2574	.2523	.2495	.2480	.2473	.2469
	\$250	.6642	.5565	.4562	.3672	.2921	.2320	.1860	.1524	.1288	.1127	.1021	.0954	.0912	.0886
	\$500	.6640	.5554	.4527	.3593	.2778	.2097	.1550	.1128	.0812	.0584	.0424	.0314	.0241	.0193
	\$1,000	.6639	.5553	.4525	.3586	.2764	.2073	.1514	.1080	.0753	.0514	.0344	.0227	.0147	.0094
72	\$120	.6650	.5611	.4700	.3965	.3418	.3041	.2798	.2650	.2564	.2517	.2491	.2478	.2472	.2468
	\$250	.6638	.5555	.4541	.3640	.2880	.2275	.1816	.1485	.1255	.1102	.1003	.0940	.0902	.0880
	\$500	.6636	.5543	.4505	.3557	.2730	.2041	.1491	.1072	.0762	.0542	.0390	.0288	.0222	.0179
	\$1,000	.6636	.5542	.4501	.3549	.2713	.2014	.1452	.1020	.0698	.0467	.0306	.0197	.0125	.0078
73	\$120	.6647	.5601	.4682	.3941	.3393	.3019	.2780	.2637	.2555	.2511	.2488	.2476	.2471	.2468
	\$250	.6635	.5546	.4522	.3610	.2842	.2234	.1776	.1449	.1226	.1079	.0986	.0929	.0895	.0875
	\$500	.6633	.5534	.4485	.3524	.2685	.1988	.1437	.1020	.0717	.0504	.0361	.0266	.0205	.0167
	\$1,000	.6633	.5533	.4481	.3514	.2667	.1958	.1394	.0964	.0648	.0426	.0273	.0172	.0107	.0065
74	\$120	.6645	.5595	.4671	.3926	.3378	.3005	.2769	.2629	.2550	.2508	.2486	.2475	.2470	.2468
	\$250	.6634	.5540	.4511	.3591	.2819	.2208	.1751	.1427	.1208	.1066	.0976	.0922	.0890	.0872
	\$500	.6632	.5529	.4473	.3503	.2657	.1955	.1403	.0987	.0688	.0481	.0343	.0253	.0196	.0161
	\$1,000	.6632	.5528	.4469	.3493	.2637	.1923	.1357	.0929	.0617	.0400	.0253	.0157	.0096	.0058

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 3  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0018	.0079	.0178	.0310	.0659	.1101	.1621	.2205
41	\$120	.0000	.0016	.0071	.0163	.0288	.0622	.1050	.1557	.2130
42	\$120	.0000	.0014	.0064	.0150	.0267	.0586	.1000	.1494	.2056
43	\$120	.0000	.0012	.0058	.0137	.0248	.0551	.0951	.1432	.1983
44	\$120	.0000	.0011	.0052	.0125	.0228	.0518	.0903	.1371	.1914
45	\$120	.0000	.0009	.0046	.0113	.0210	.0485	.0856	.1311	.1849
46	\$120	.0000	.0008	.0041	.0103	.0193	.0453	.0810	.1252	.1788
47	\$120	.0000	.0007	.0036	.0093	.0176	.0423	.0765	.1197	.1730
48	\$120	.0000	.0006	.0032	.0083	.0161	.0393	.0721	.1145	.1674
49	\$120	.0000	.0005	.0028	.0074	.0146	.0364	.0679	.1095	.1620
50	\$120	.0000	.0004	.0024	.0066	.0132	.0337	.0638	.1047	.1567

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0004	.0024	.0067	.0133	.0339	.0640	.1029	.1497
51	\$120	.0000	.0003	.0021	.0058	.0119	.0310	.0600	.1001	.1516
	\$250	.0000	.0003	.0021	.0059	.0120	.0312	.0599	.0974	.1429
52	\$120	.0000	.0003	.0018	.0051	.0106	.0285	.0563	.0957	.1466
	\$250	.0000	.0003	.0018	.0052	.0107	.0287	.0559	.0920	.1363
53	\$120	.0000	.0002	.0015	.0045	.0095	.0260	.0528	.0914	.1416
	\$250	.0000	.0002	.0015	.0045	.0095	.0262	.0520	.0867	.1297
54	\$120	.0000	.0002	.0013	.0039	.0084	.0237	.0495	.0872	.1368
	\$250	.0000	.0002	.0013	.0039	.0084	.0238	.0482	.0815	.1233
55	\$120	.0000	.0001	.0011	.0033	.0074	.0216	.0463	.0831	.1322
	\$250	.0000	.0001	.0011	.0034	.0074	.0216	.0445	.0764	.1171
56	\$120	.0000	.0001	.0009	.0029	.0064	.0196	.0433	.0792	.1276
	\$250	.0000	.0001	.0009	.0029	.0065	.0195	.0410	.0714	.1111
57	\$120	.0000	.0001	.0007	.0024	.0056	.0177	.0404	.0753	.1232
	\$250	.0000	.0001	.0007	.0024	.0056	.0174	.0375	.0666	.1053
58	\$120	.0000	.0001	.0006	.0020	.0048	.0160	.0376	.0716	.1189
	\$250	.0000	.0001	.0006	.0020	.0048	.0155	.0342	.0620	.0997
	\$500	.0000	.0001	.0006	.0020	.0048	.0155	.0343	.0618	.0985
59	\$120	.0000	.0000	.0005	.0017	.0041	.0144	.0349	.0680	.1147
	\$250	.0000	.0000	.0005	.0017	.0041	.0137	.0311	.0576	.0943
	\$500	.0000	.0000	.0005	.0017	.0041	.0137	.0311	.0572	.0925
60	\$120	.0000	.0000	.0004	.0014	.0034	.0128	.0323	.0645	.1106
	\$250	.0000	.0000	.0004	.0014	.0035	.0120	.0281	.0534	.0890
	\$500	.0000	.0000	.0004	.0014	.0035	.0120	.0281	.0527	.0867
61	\$120	.0000	.0000	.0003	.0011	.0029	.0114	.0299	.0611	.1067
	\$250	.0000	.0000	.0003	.0011	.0029	.0104	.0252	.0493	.0839
	\$500	.0000	.0000	.0003	.0011	.0029	.0105	.0251	.0484	.0810
62	\$120	.0000	.0000	.0002	.0009	.0024	.0101	.0275	.0579	.1028
	\$250	.0000	.0000	.0002	.0009	.0024	.0090	.0226	.0455	.0790
	\$500	.0000	.0000	.0002	.0009	.0024	.0090	.0224	.0442	.0755
63	\$120	.0000	.0000	.0002	.0007	.0020	.0089	.0253	.0548	.0991
	\$250	.0000	.0000	.0002	.0007	.0019	.0077	.0201	.0417	.0741
	\$500	.0000	.0000	.0002	.0007	.0019	.0077	.0198	.0402	.0701
64	\$120	.0000	.0000	.0001	.0005	.0016	.0079	.0233	.0518	.0955
	\$250	.0000	.0000	.0001	.0005	.0015	.0065	.0178	.0382	.0695
	\$500	.0000	.0000	.0001	.0005	.0015	.0065	.0174	.0363	.0649
	\$1,000	.0000	.0000	.0001	.0005	.0015	.0065	.0174	.0364	.0649
65	\$120	.0000	.0000	.0001	.0004	.0013	.0069	.0213	.0489	.0920
	\$250	.0000	.0000	.0001	.0004	.0012	.0054	.0157	.0348	.0650
	\$500	.0000	.0000	.0001	.0004	.0012	.0054	.0151	.0327	.0599
	\$1,000	.0000	.0000	.0001	.0004	.0012	.0054	.0151	.0327	.0598
66	\$120	.0000	.0000	.0001	.0003	.0010	.0060	.0195	.0461	.0886
	\$250	.0000	.0000	.0001	.0003	.0009	.0045	.0137	.0317	.0607
	\$500	.0000	.0000	.0001	.0003	.0009	.0044	.0130	.0292	.0551

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0044	.0130	.0292	.0549
67	\$120	.0000	.0000	.0000	.0002	.0008	.0051	.0177	.0435	.0853
	\$250	.0000	.0000	.0000	.0002	.0007	.0037	.0119	.0286	.0566
	\$500	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0259	.0504
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0259	.0502
68	\$120	.0000	.0000	.0000	.0002	.0006	.0044	.0161	.0409	.0822
	\$250	.0000	.0000	.0000	.0001	.0005	.0029	.0102	.0258	.0526
	\$500	.0000	.0000	.0000	.0001	.0005	.0028	.0093	.0228	.0460
	\$1,000	.0000	.0000	.0000	.0001	.0005	.0028	.0093	.0227	.0456
69	\$120	.0000	.0000	.0000	.0001	.0005	.0038	.0146	.0385	.0792
	\$250	.0000	.0000	.0000	.0001	.0003	.0023	.0087	.0231	.0488
	\$500	.0000	.0000	.0000	.0001	.0003	.0021	.0077	.0200	.0417
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0021	.0077	.0198	.0412
70	\$120	.0000	.0000	.0000	.0001	.0004	.0032	.0132	.0363	.0763
	\$250	.0000	.0000	.0000	.0001	.0002	.0018	.0074	.0206	.0451
	\$500	.0000	.0000	.0000	.0001	.0002	.0016	.0063	.0173	.0376
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0170	.0371
71	\$120	.0000	.0000	.0000	.0000	.0003	.0027	.0119	.0340	.0735
	\$250	.0000	.0000	.0000	.0000	.0001	.0014	.0061	.0182	.0416
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0050	.0147	.0337
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0011	.0049	.0144	.0330
72	\$120	.0000	.0000	.0000	.0000	.0002	.0022	.0107	.0320	.0709
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0051	.0161	.0383
	\$500	.0000	.0000	.0000	.0000	.0001	.0008	.0039	.0125	.0301
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0008	.0038	.0121	.0292
73	\$120	.0000	.0000	.0000	.0000	.0001	.0019	.0097	.0302	.0685
	\$250	.0000	.0000	.0000	.0000	.0001	.0007	.0042	.0142	.0354
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0105	.0268
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0101	.0258
74	\$120	.0000	.0000	.0000	.0000	.0001	.0016	.0091	.0291	.0670
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0036	.0130	.0335
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0093	.0247
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0088	.0237

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-940 Hazard Group 4 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 4  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8706	.8538	.8388	.8252	.8127	.8010	.7900	.7795	.7696	.7601	.7510	.7422	.7338	.7256
2	.8655	.8476	.8317	.8172	.8039	.7914	.7797	.7686	.7580	.7480	.7383	.7290	.7200	.7114
3	.8604	.8415	.8246	.8093	.7952	.7819	.7695	.7578	.7466	.7359	.7257	.7158	.7064	.6972
4	.8554	.8354	.8175	.8013	.7864	.7724	.7593	.7468	.7350	.7237	.7129	.7026	.6926	.6830
5	.8504	.8293	.8105	.7934	.7776	.7629	.7490	.7360	.7235	.7116	.7003	.6894	.6789	.6688
6	.8455	.8233	.8035	.7855	.7689	.7534	.7389	.7251	.7120	.6996	.6877	.6762	.6652	.6547
7	.8406	.8173	.7965	.7777	.7602	.7440	.7287	.7143	.7006	.6876	.6751	.6632	.6517	.6406
8	.8357	.8114	.7896	.7698	.7516	.7346	.7186	.7035	.6892	.6756	.6626	.6501	.6382	.6267
9	.8310	.8055	.7827	.7621	.7430	.7252	.7085	.6928	.6779	.6637	.6502	.6372	.6248	.6128
10	.8262	.7996	.7759	.7543	.7344	.7159	.6985	.6821	.6666	.6518	.6378	.6243	.6115	.5991
11	.8215	.7938	.7691	.7466	.7259	.7066	.6885	.6715	.6554	.6400	.6255	.6115	.5982	.5854
12	.8168	.7880	.7623	.7389	.7173	.6973	.6785	.6609	.6442	.6283	.6132	.5988	.5851	.5719
13	.8122	.7822	.7555	.7312	.7088	.6880	.6686	.6503	.6330	.6166	.6010	.5862	.5720	.5585
14	.8076	.7765	.7488	.7236	.7003	.6788	.6587	.6397	.6219	.6049	.5889	.5736	.5590	.5451
15	.8030	.7708	.7420	.7159	.6919	.6696	.6488	.6292	.6108	.5933	.5768	.5611	.5461	.5319
16	.7985	.7651	.7353	.7083	.6834	.6604	.6389	.6187	.5997	.5818	.5648	.5487	.5334	.5187
17	.7940	.7594	.7286	.7007	.6750	.6512	.6291	.6083	.5888	.5703	.5529	.5364	.5207	.5057
18	.7895	.7538	.7220	.6931	.6666	.6421	.6192	.5979	.5778	.5589	.5410	.5241	.5080	.4928
19	.7850	.7482	.7153	.6855	.6582	.6329	.6095	.5875	.5669	.5475	.5293	.5119	.4955	.4799
20	.7806	.7426	.7087	.6780	.6498	.6238	.5997	.5772	.5561	.5362	.5175	.4999	.4831	.4672
21	.7762	.7370	.7021	.6704	.6414	.6147	.5899	.5668	.5452	.5249	.5058	.4878	.4707	.4546
22	.7718	.7314	.6954	.6629	.6331	.6056	.5802	.5566	.5344	.5137	.4942	.4758	.4585	.4420
23	.7675	.7259	.6888	.6553	.6247	.5966	.5705	.5463	.5237	.5025	.4827	.4639	.4463	.4296
24	.7632	.7203	.6822	.6478	.6164	.5875	.5608	.5361	.5130	.4914	.4711	.4521	.4341	.4172
25	.7588	.7148	.6757	.6403	.6081	.5785	.5512	.5259	.5023	.4803	.4597	.4403	.4221	.4048
26	.7546	.7093	.6691	.6328	.5997	.5695	.5415	.5157	.4916	.4692	.4482	.4285	.4100	.3926
27	.7503	.7038	.6625	.6253	.5914	.5604	.5319	.5055	.4810	.4582	.4368	.4169	.3981	.3804
28	.7461	.6984	.6560	.6178	.5831	.5514	.5223	.4953	.4704	.4472	.4255	.4052	.3862	.3682
29	.7419	.6929	.6494	.6103	.5748	.5424	.5127	.4852	.4598	.4362	.4142	.3936	.3743	.3562
30	.7377	.6875	.6429	.6029	.5666	.5334	.5031	.4751	.4492	.4252	.4029	.3820	.3624	.3441
31	.7336	.6821	.6364	.5954	.5583	.5245	.4935	.4650	.4387	.4143	.3916	.3705	.3507	.3321
32	.7295	.6767	.6299	.5880	.5500	.5155	.4839	.4549	.4282	.4034	.3804	.3589	.3388	.3200
33	.7254	.6714	.6235	.5806	.5418	.5066	.4744	.4448	.4176	.3925	.3691	.3474	.3271	.3080
34	.7214	.6661	.6170	.5731	.5335	.4976	.4648	.4347	.4071	.3815	.3578	.3358	.3152	.2960
35	.7174	.6608	.6106	.5657	.5253	.4886	.4552	.4246	.3965	.3706	.3466	.3242	.3034	.2840
36	.7134	.6555	.6042	.5583	.5170	.4796	.4456	.4145	.3859	.3596	.3352	.3126	.2916	.2720
37	.7095	.6502	.5978	.5509	.5087	.4706	.4359	.4043	.3753	.3485	.3238	.3010	.2798	.2601
38	.7056	.6450	.5914	.5435	.5005	.4616	.4263	.3941	.3646	.3375	.3125	.2894	.2680	.2482
39	.7018	.6399	.5850	.5361	.4922	.4526	.4167	.3839	.3539	.3264	.3011	.2778	.2563	.2365
40	.6981	.6348	.5788	.5288	.4840	.4436	.4070	.3737	.3433	.3154	.2899	.2664	.2448	.2250
41	.6945	.6298	.5726	.5216	.4759	.4347	.3975	.3636	.3327	.3045	.2787	.2551	.2335	.2136
42	.6909	.6249	.5665	.5144	.4678	.4259	.3879	.3535	.3222	.2937	.2677	.2440	.2223	.2025
43	.6875	.6201	.5604	.5073	.4598	.4171	.3785	.3435	.3118	.2830	.2568	.2330	.2114	.1917
44	.6841	.6154	.5545	.5003	.4518	.4083	.3691	.3336	.3015	.2724	.2461	.2223	.2007	.1811
45	.6808	.6108	.5487	.4934	.4440	.3996	.3597	.3237	.2913	.2620	.2356	.2117	.1902	.1708
46	.6777	.6063	.5429	.4865	.4361	.3910	.3504	.3140	.2812	.2517	.2252	.2014	.1800	.1607
47	.6746	.6018	.5372	.4797	.4283	.3824	.3412	.3043	.2712	.2415	.2150	.1912	.1700	.1510
48	.6716	.5975	.5316	.4729	.4206	.3738	.3320	.2947	.2613	.2315	.2049	.1813	.1602	.1415
49	.6688	.5932	.5261	.4662	.4129	.3653	.3229	.2851	.2515	.2216	.1951	.1715	.1507	.1323
50	.6660	.5891	.5206	.4596	.4053	.3569	.3139	.2757	.2418	.2119	.1854	.1620	.1414	.1233
51	.6633	.5850	.5152	.4530	.3977	.3485	.3049	.2664	.2323	.2023	.1759	.1527	.1324	.1147
52	.6607	.5810	.5099	.4465	.3901	.3402	.2960	.2571	.2229	.1928	.1666	.1437	.1237	.1064
53	.6582	.5772	.5047	.4400	.3827	.3319	.2872	.2479	.2135	.1835	.1574	.1348	.1152	.0983
54	.6558	.5734	.4995	.4337	.3753	.3237	.2785	.2389	.2044	.1744	.1485	.1262	.1070	.0905
55	.6535	.5697	.4944	.4273	.3679	.3156	.2698	.2299	.1953	.1655	.1398	.1178	.0991	.0831

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
56	.6513	.5661	.4895	.4211	.3607	.3075	.2612	.2211	.1864	.1567	.1313	.1097	.0914	.0760
57	.6493	.5627	.4846	.4150	.3535	.2996	.2527	.2123	.1776	.1481	.1230	.1018	.0840	.0691
58	.6473	.5593	.4798	.4089	.3463	.2917	.2443	.2037	.1690	.1396	.1149	.0942	.0769	.0626
59	.6454	.5561	.4752	.4030	.3393	.2839	.2360	.1952	.1605	.1313	.1070	.0868	.0701	.0564
60	.6437	.5530	.4706	.3971	.3324	.2762	.2278	.1868	.1522	.1233	.0994	.0797	.0636	.0506
61	.6420	.5500	.4662	.3914	.3256	.2685	.2197	.1785	.1440	.1154	.0920	.0729	.0574	.0451
62	.6405	.5472	.4620	.3858	.3189	.2610	.2118	.1704	.1360	.1078	.0848	.0664	.0516	.0399
63	.6391	.5445	.4579	.3803	.3123	.2536	.2039	.1624	.1282	.1003	.0780	.0601	.0461	.0351
64	.6378	.5420	.4540	.3750	.3058	.2463	.1962	.1545	.1205	.0931	.0714	.0542	.0409	.0306
65	.6367	.5396	.4502	.3699	.2995	.2392	.1885	.1468	.1131	.0862	.0650	.0486	.0361	.0265
66	.6357	.5374	.4466	.3649	.2933	.2321	.1811	.1393	.1058	.0795	.0590	.0434	.0316	.0228
67	.6347	.5354	.4432	.3600	.2872	.2252	.1737	.1320	.0988	.0730	.0533	.0385	.0275	.0194
68	.6339	.5335	.4399	.3554	.2813	.2184	.1665	.1248	.0920	.0669	.0479	.0339	.0237	.0164
69	.6332	.5318	.4369	.3508	.2755	.2118	.1595	.1178	.0855	.0610	.0428	.0297	.0203	.0137
70	.6327	.5303	.4340	.3465	.2699	.2053	.1526	.1110	.0791	.0554	.0381	.0258	.0172	.0113
71	.6322	.5289	.4313	.3423	.2643	.1987	.1457	.1042	.0729	.0500	.0336	.0222	.0144	.0092
72	.6318	.5278	.4289	.3384	.2591	.1926	.1392	.0980	.0672	.0451	.0296	.0191	.0121	.0075
73	.6315	.5268	.4268	.3348	.2542	.1869	.1331	.0921	.0620	.0407	.0261	.0164	.0101	.0061
74	.6314	.5263	.4255	.3326	.2512	.1832	.1293	.0885	.0588	.0380	.0240	.0148	.0090	.0053

Premium-Based Plan, with no Single Loss Limit

Insurance Savings Table  
 Hazard Group 4  
 Effective October 29, 2010

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0339	.0708	.1106	.1524	.2396	.3298	.4218	.5152
2	.0000	.0323	.0681	.1072	.1484	.2345	.3236	.4147	.5072
3	.0000	.0307	.0656	.1040	.1446	.2294	.3175	.4076	.4993
4	.0000	.0292	.0632	.1009	.1407	.2244	.3114	.4005	.4913
5	.0000	.0277	.0608	.0978	.1370	.2194	.3053	.3935	.4834
6	.0000	.0263	.0586	.0948	.1333	.2145	.2993	.3865	.4755
7	.0000	.0249	.0564	.0918	.1296	.2096	.2933	.3795	.4677
8	.0000	.0236	.0543	.0890	.1261	.2047	.2874	.3726	.4598
9	.0000	.0224	.0522	.0861	.1225	.2000	.2815	.3657	.4521
10	.0000	.0212	.0502	.0834	.1190	.1952	.2756	.3589	.4443
11	.0000	.0201	.0483	.0806	.1156	.1905	.2698	.3521	.4366
12	.0000	.0191	.0464	.0780	.1122	.1858	.2640	.3453	.4289
13	.0000	.0180	.0445	.0753	.1089	.1812	.2582	.3385	.4212
14	.0000	.0171	.0427	.0727	.1056	.1766	.2525	.3318	.4136
15	.0000	.0161	.0409	.0702	.1023	.1720	.2468	.3250	.4059
16	.0000	.0152	.0392	.0677	.0990	.1675	.2411	.3183	.3983
17	.0000	.0144	.0375	.0652	.0958	.1630	.2354	.3116	.3907
18	.0000	.0135	.0358	.0627	.0927	.1585	.2298	.3050	.3831
19	.0000	.0127	.0342	.0604	.0895	.1540	.2242	.2983	.3755
20	.0000	.0120	.0326	.0580	.0865	.1496	.2186	.2917	.3680
21	.0000	.0112	.0311	.0557	.0834	.1452	.2130	.2851	.3604
22	.0000	.0105	.0296	.0534	.0804	.1408	.2074	.2784	.3529
23	.0000	.0098	.0281	.0511	.0774	.1365	.2019	.2718	.3453

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
24	.0000	.0092	.0266	.0489	.0744	.1322	.1963	.2652	.3378
25	.0000	.0085	.0252	.0467	.0715	.1278	.1908	.2587	.3303
26	.0000	.0079	.0238	.0445	.0685	.1236	.1853	.2521	.3228
27	.0000	.0073	.0225	.0424	.0657	.1193	.1798	.2455	.3153
28	.0000	.0068	.0212	.0403	.0629	.1151	.1744	.2390	.3078
29	.0000	.0063	.0199	.0383	.0601	.1109	.1689	.2324	.3003
30	.0000	.0058	.0187	.0363	.0573	.1067	.1635	.2259	.2929
31	.0000	.0053	.0175	.0344	.0546	.1026	.1581	.2194	.2854
32	.0000	.0048	.0164	.0324	.0519	.0985	.1527	.2129	.2780
33	.0000	.0044	.0152	.0306	.0493	.0944	.1474	.2065	.2706
34	.0000	.0040	.0142	.0287	.0467	.0904	.1421	.2000	.2631
35	.0000	.0036	.0131	.0270	.0442	.0864	.1368	.1936	.2557
36	.0000	.0033	.0121	.0252	.0417	.0824	.1315	.1872	.2483
37	.0000	.0029	.0112	.0235	.0392	.0785	.1262	.1808	.2409
38	.0000	.0026	.0102	.0219	.0368	.0746	.1210	.1744	.2335
39	.0000	.0023	.0094	.0203	.0345	.0708	.1159	.1680	.2261
40	.0000	.0021	.0085	.0188	.0322	.0671	.1108	.1618	.2188
41	.0000	.0018	.0077	.0173	.0300	.0635	.1058	.1556	.2116
42	.0000	.0016	.0070	.0159	.0279	.0599	.1009	.1495	.2044
43	.0000	.0014	.0063	.0146	.0259	.0565	.0961	.1434	.1973
44	.0000	.0012	.0057	.0133	.0240	.0531	.0914	.1375	.1903
45	.0000	.0011	.0051	.0122	.0221	.0498	.0868	.1317	.1834
46	.0000	.0009	.0045	.0110	.0203	.0467	.0823	.1259	.1765
47	.0000	.0008	.0040	.0100	.0186	.0436	.0778	.1202	.1697
48	.0000	.0007	.0035	.0090	.0170	.0406	.0735	.1146	.1629
49	.0000	.0006	.0031	.0080	.0155	.0378	.0692	.1091	.1562
50	.0000	.0005	.0027	.0072	.0140	.0350	.0651	.1036	.1496
51	.0000	.0004	.0023	.0064	.0127	.0323	.0610	.0982	.1430
52	.0000	.0003	.0020	.0056	.0114	.0297	.0570	.0929	.1365
53	.0000	.0003	.0017	.0049	.0101	.0272	.0532	.0877	.1300
54	.0000	.0002	.0015	.0043	.0090	.0248	.0494	.0825	.1237
55	.0000	.0002	.0012	.0037	.0079	.0225	.0457	.0774	.1173
56	.0000	.0001	.0010	.0032	.0070	.0203	.0421	.0725	.1111
57	.0000	.0001	.0008	.0027	.0060	.0183	.0387	.0676	.1050
58	.0000	.0001	.0007	.0023	.0052	.0163	.0353	.0628	.0989
59	.0000	.0001	.0005	.0019	.0044	.0144	.0321	.0582	.0930
60	.0000	.0000	.0004	.0015	.0037	.0127	.0290	.0536	.0871
61	.0000	.0000	.0003	.0012	.0031	.0110	.0260	.0492	.0814
62	.0000	.0000	.0002	.0010	.0026	.0095	.0232	.0450	.0758
63	.0000	.0000	.0002	.0008	.0021	.0081	.0205	.0409	.0703
64	.0000	.0000	.0001	.0006	.0017	.0068	.0180	.0370	.0650
65	.0000	.0000	.0001	.0004	.0013	.0057	.0156	.0332	.0599
66	.0000	.0000	.0001	.0003	.0010	.0047	.0134	.0296	.0549
67	.0000	.0000	.0000	.0002	.0007	.0037	.0114	.0262	.0500
68	.0000	.0000	.0000	.0002	.0005	.0029	.0095	.0229	.0454
69	.0000	.0000	.0000	.0001	.0004	.0022	.0078	.0199	.0408

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
70	.0000	.0000	.0000	.0001	.0002	.0017	.0063	.0170	.0365
71	.0000	.0000	.0000	.0000	.0001	.0012	.0049	.0143	.0323
72	.0000	.0000	.0000	.0000	.0001	.0008	.0038	.0119	.0284
73	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0098	.0248
74	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0085	.0226

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 4  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.6978	.6343	.5780	.5279	.4829	.4435	.4110	.3840	.3615	.3426	.3268	.3134	.3022	.2931
41	\$120	.6941	.6293	.5718	.5206	.4749	.4362	.4042	.3776	.3555	.3369	.3214	.3084	.2979	.2893
42	\$120	.6906	.6244	.5657	.5134	.4676	.4294	.3978	.3715	.3496	.3314	.3162	.3038	.2939	.2859
43	\$120	.6871	.6196	.5597	.5064	.4608	.4229	.3916	.3656	.3439	.3260	.3114	.2996	.2902	.2827
44	\$120	.6838	.6149	.5538	.4998	.4544	.4167	.3856	.3598	.3384	.3209	.3069	.2958	.2868	.2797
45	\$120	.6805	.6103	.5479	.4936	.4483	.4108	.3797	.3541	.3331	.3162	.3028	.2921	.2837	.2770
46	\$120	.6774	.6057	.5423	.4878	.4425	.4050	.3740	.3486	.3281	.3118	.2989	.2887	.2807	.2745
47	\$120	.6743	.6013	.5369	.4822	.4368	.3993	.3684	.3434	.3235	.3077	.2953	.2856	.2781	.2723
48	\$120	.6713	.5970	.5318	.4769	.4313	.3937	.3630	.3385	.3190	.3037	.2918	.2826	.2756	.2702
49	\$120	.6685	.5928	.5270	.4717	.4259	.3883	.3579	.3337	.3148	.3000	.2886	.2799	.2733	.2684
50	\$120	.6657	.5888	.5224	.4667	.4206	.3830	.3529	.3292	.3107	.2964	.2856	.2774	.2712	.2667
	\$250	.6659	.5889	.5204	.4593	.4049	.3566	.3147	.2789	.2486	.2229	.2012	.1830	.1677	.1550
51	\$120	.6630	.5850	.5180	.4618	.4154	.3779	.3481	.3248	.3068	.2931	.2827	.2750	.2693	.2652
	\$250	.6632	.5849	.5150	.4527	.3973	.3487	.3069	.2713	.2412	.2159	.1946	.1769	.1621	.1499
52	\$120	.6604	.5814	.5137	.4570	.4104	.3730	.3435	.3206	.3031	.2899	.2801	.2729	.2676	.2638
	\$250	.6606	.5809	.5097	.4462	.3899	.3411	.2993	.2639	.2341	.2091	.1882	.1710	.1568	.1452
53	\$120	.6580	.5780	.5095	.4522	.4055	.3682	.3390	.3166	.2996	.2870	.2777	.2709	.2660	.2626
	\$250	.6581	.5770	.5044	.4397	.3828	.3337	.2919	.2567	.2271	.2025	.1821	.1654	.1518	.1408
54	\$120	.6556	.5747	.5054	.4476	.4007	.3635	.3347	.3127	.2963	.2842	.2754	.2691	.2646	.2615
	\$250	.6557	.5733	.4993	.4335	.3760	.3266	.2848	.2496	.2203	.1960	.1762	.1601	.1471	.1366
55	\$120	.6535	.5716	.5014	.4431	.3961	.3590	.3305	.3090	.2932	.2816	.2733	.2674	.2633	.2605
	\$250	.6535	.5696	.4942	.4274	.3693	.3197	.2778	.2427	.2137	.1899	.1706	.1550	.1426	.1328
56	\$120	.6514	.5685	.4975	.4387	.3915	.3546	.3265	.3055	.2902	.2791	.2714	.2659	.2622	.2597
	\$250	.6513	.5660	.4893	.4215	.3629	.3129	.2709	.2360	.2073	.1840	.1652	.1503	.1384	.1292
57	\$120	.6496	.5656	.4938	.4345	.3871	.3504	.3226	.3021	.2874	.2769	.2696	.2646	.2612	.2589
	\$250	.6492	.5625	.4845	.4159	.3566	.3063	.2642	.2294	.2011	.1783	.1601	.1457	.1345	.1258
58	\$120	.6478	.5628	.4901	.4303	.3828	.3462	.3189	.2989	.2847	.2747	.2679	.2633	.2602	.2582
	\$250	.6472	.5592	.4800	.4104	.3505	.2998	.2576	.2230	.1951	.1728	.1552	.1415	.1309	.1227
	\$500	.6473	.5593	.4798	.4088	.3462	.2915	.2443	.2039	.1697	.1411	.1173	.0976	.0814	.0682
59	\$120	.6461	.5601	.4866	.4263	.3786	.3422	.3153	.2959	.2822	.2728	.2664	.2622	.2594	.2577
	\$250	.6454	.5560	.4756	.4051	.3445	.2934	.2512	.2169	.1893	.1676	.1506	.1375	.1275	.1199
	\$500	.6454	.5560	.4751	.4029	.3392	.2838	.2361	.1957	.1617	.1334	.1101	.0909	.0754	.0629
60	\$120	.6446	.5576	.4832	.4223	.3746	.3384	.3118	.2930	.2798	.2710	.2650	.2612	.2587	.2572
	\$250	.6436	.5530	.4714	.3999	.3386	.2872	.2450	.2108	.1837	.1625	.1462	.1337	.1243	.1173
	\$500	.6437	.5529	.4706	.3970	.3323	.2762	.2282	.1877	.1539	.1260	.1031	.0846	.0697	.0579
61	\$120	.6431	.5551	.4799	.4185	.3706	.3346	.3085	.2902	.2776	.2693	.2638	.2603	.2581	.2568
	\$250	.6420	.5501	.4674	.3948	.3329	.2811	.2388	.2050	.1783	.1577	.1420	.1302	.1214	.1149
	\$500	.6420	.5500	.4662	.3913	.3255	.2687	.2204	.1798	.1463	.1187	.0965	.0786	.0644	.0532

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
62	\$120	.6418	.5528	.4767	.4148	.3668	.3310	.3054	.2876	.2756	.2677	.2627	.2595	.2576	.2564
	\$250	.6405	.5474	.4635	.3900	.3273	.2752	.2329	.1993	.1732	.1532	.1381	.1269	.1187	.1128
	\$500	.6405	.5471	.4619	.3858	.3189	.2614	.2127	.1722	.1388	.1118	.0901	.0729	.0594	.0489
63	\$120	.6405	.5505	.4736	.4112	.3630	.3275	.3023	.2851	.2737	.2663	.2617	.2588	.2571	.2561
	\$250	.6391	.5449	.4598	.3852	.3218	.2694	.2271	.1939	.1682	.1488	.1344	.1239	.1163	.1109
	\$500	.6391	.5445	.4578	.3803	.3125	.2543	.2053	.1647	.1316	.1050	.0840	.0675	.0547	.0449
64	\$120	.6394	.5484	.4706	.4077	.3594	.3241	.2994	.2828	.2719	.2650	.2608	.2582	.2567	.2558
	\$250	.6379	.5426	.4562	.3806	.3165	.2637	.2215	.1886	.1634	.1447	.1310	.1211	.1141	.1092
	\$500	.6378	.5420	.4539	.3751	.3062	.2473	.1979	.1574	.1246	.0985	.0781	.0623	.0503	.0412
	\$1,000	.6378	.5420	.4540	.3750	.3058	.2463	.1961	.1545	.1205	.0932	.0714	.0543	.0410	.0308
65	\$120	.6384	.5464	.4677	.4043	.3559	.3209	.2967	.2806	.2703	.2639	.2600	.2577	.2564	.2556
	\$250	.6368	.5404	.4529	.3762	.3113	.2582	.2160	.1835	.1589	.1408	.1277	.1185	.1120	.1076
	\$500	.6367	.5396	.4502	.3700	.3000	.2404	.1907	.1502	.1178	.0923	.0726	.0575	.0462	.0378
	\$1,000	.6367	.5396	.4502	.3699	.2995	.2391	.1885	.1468	.1131	.0862	.0651	.0487	.0362	.0267
66	\$120	.6374	.5446	.4650	.4010	.3525	.3178	.2941	.2786	.2688	.2628	.2593	.2572	.2561	.2554
	\$250	.6358	.5384	.4496	.3719	.3063	.2529	.2108	.1785	.1546	.1371	.1248	.1161	.1103	.1063
	\$500	.6356	.5374	.4466	.3652	.2941	.2337	.1837	.1433	.1112	.0863	.0673	.0531	.0425	.0348
	\$1,000	.6357	.5374	.4466	.3649	.2933	.2321	.1811	.1393	.1059	.0795	.0591	.0435	.0318	.0230
67	\$120	.6366	.5428	.4623	.3978	.3493	.3148	.2916	.2767	.2674	.2619	.2587	.2568	.2558	.2553
	\$250	.6349	.5365	.4466	.3678	.3014	.2477	.2056	.1738	.1504	.1337	.1220	.1140	.1087	.1051
	\$500	.6347	.5354	.4433	.3604	.2882	.2272	.1769	.1365	.1049	.0806	.0624	.0489	.0391	.0321
	\$1,000	.6347	.5354	.4432	.3600	.2872	.2252	.1737	.1320	.0989	.0731	.0535	.0387	.0277	.0197
68	\$120	.6358	.5411	.4598	.3948	.3462	.3120	.2893	.2749	.2661	.2610	.2581	.2565	.2556	.2552
	\$250	.6342	.5348	.4437	.3638	.2967	.2426	.2007	.1693	.1465	.1305	.1195	.1121	.1072	.1041
	\$500	.6339	.5336	.4401	.3559	.2826	.2208	.1702	.1300	.0988	.0752	.0578	.0451	.0360	.0296
	\$1,000	.6339	.5335	.4399	.3553	.2813	.2184	.1666	.1249	.0921	.0670	.0481	.0341	.0240	.0167
69	\$120	.6351	.5396	.4574	.3918	.3432	.3093	.2871	.2733	.2650	.2603	.2576	.2562	.2555	.2551
	\$250	.6335	.5332	.4410	.3600	.2921	.2377	.1959	.1650	.1429	.1275	.1172	.1104	.1060	.1032
	\$500	.6332	.5319	.4371	.3516	.2771	.2145	.1636	.1236	.0929	.0701	.0534	.0415	.0332	.0275
	\$1,000	.6332	.5318	.4369	.3508	.2755	.2118	.1595	.1179	.0856	.0612	.0431	.0300	.0206	.0141
70	\$120	.6345	.5381	.4551	.3890	.3403	.3067	.2851	.2718	.2640	.2596	.2572	.2560	.2553	.2550
	\$250	.6329	.5318	.4384	.3563	.2877	.2330	.1913	.1609	.1394	.1248	.1151	.1088	.1049	.1025
	\$500	.6327	.5304	.4344	.3474	.2718	.2084	.1573	.1174	.0873	.0652	.0494	.0383	.0307	.0256
	\$1,000	.6327	.5303	.4340	.3465	.2699	.2053	.1526	.1111	.0793	.0556	.0384	.0261	.0176	.0118
71	\$120	.6339	.5368	.4529	.3862	.3374	.3042	.2831	.2703	.2630	.2590	.2569	.2558	.2552	.2549
	\$250	.6325	.5305	.4360	.3528	.2833	.2283	.1868	.1568	.1360	.1221	.1131	.1074	.1039	.1018
	\$500	.6322	.5291	.4317	.3434	.2665	.2023	.1510	.1114	.0818	.0605	.0455	.0353	.0284	.0239
	\$1,000	.6322	.5289	.4313	.3423	.2643	.1988	.1458	.1044	.0731	.0503	.0339	.0226	.0149	.0097
72	\$120	.6334	.5356	.4508	.3837	.3349	.3020	.2813	.2691	.2622	.2585	.2566	.2556	.2551	.2549
	\$250	.6321	.5294	.4338	.3495	.2793	.2240	.1826	.1532	.1331	.1199	.1114	.1063	.1031	.1013
	\$500	.6318	.5279	.4294	.3397	.2616	.1967	.1451	.1058	.0769	.0563	.0422	.0327	.0265	.0226
	\$1,000	.6318	.5278	.4289	.3384	.2592	.1927	.1393	.0982	.0675	.0454	.0300	.0195	.0125	.0080
73	\$120	.6330	.5345	.4490	.3814	.3325	.2999	.2797	.2680	.2615	.2580	.2563	.2555	.2551	.2549
	\$250	.6318	.5284	.4318	.3465	.2755	.2200	.1788	.1499	.1304	.1178	.1100	.1053	.1025	.1009
	\$500	.6315	.5270	.4274	.3363	.2570	.1914	.1396	.1006	.0723	.0526	.0393	.0305	.0250	.0215
	\$1,000	.6315	.5268	.4268	.3349	.2543	.1870	.1333	.0924	.0624	.0411	.0266	.0169	.0106	.0066
74	\$120	.6328	.5338	.4478	.3799	.3310	.2987	.2788	.2673	.2610	.2578	.2562	.2554	.2550	.2548
	\$250	.6316	.5278	.4306	.3446	.2732	.2174	.1764	.1478	.1288	.1166	.1091	.1047	.1021	.1007
	\$500	.6314	.5265	.4261	.3342	.2541	.1880	.1362	.0973	.0695	.0503	.0375	.0292	.0240	.0208
	\$1,000	.6314	.5263	.4255	.3327	.2512	.1834	.1295	.0888	.0592	.0385	.0245	.0153	.0095	.0059

\*Single Loss Limit values are expressed in thousands of dollars.

Premium-Based Plan, with Various Single Loss Limits

Insurance Savings Table  
 Hazard Group 4  
 Effective October 29, 2010

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0020	.0085	.0187	.0320	.0668	.1103	.1610	.2179
41	\$120	.0000	.0018	.0077	.0172	.0299	.0631	.1053	.1548	.2106
42	\$120	.0000	.0016	.0070	.0158	.0278	.0596	.1004	.1487	.2034
43	\$120	.0000	.0014	.0063	.0145	.0257	.0561	.0956	.1427	.1964
44	\$120	.0000	.0012	.0056	.0132	.0238	.0528	.0909	.1368	.1898
45	\$120	.0000	.0010	.0050	.0121	.0220	.0495	.0863	.1309	.1836
46	\$120	.0000	.0009	.0045	.0109	.0202	.0464	.0817	.1253	.1778
47	\$120	.0000	.0008	.0040	.0099	.0185	.0433	.0773	.1199	.1722
48	\$120	.0000	.0007	.0035	.0089	.0169	.0403	.0730	.1148	.1669
49	\$120	.0000	.0006	.0031	.0080	.0154	.0375	.0688	.1100	.1617
50	\$120	.0000	.0005	.0027	.0071	.0139	.0347	.0648	.1054	.1567
	\$250	.0000	.0005	.0027	.0072	.0140	.0349	.0649	.1034	.1493
51	\$120	.0000	.0004	.0023	.0063	.0125	.0320	.0610	.1010	.1518
	\$250	.0000	.0004	.0023	.0063	.0126	.0322	.0609	.0980	.1427
52	\$120	.0000	.0003	.0020	.0056	.0113	.0294	.0574	.0967	.1470
	\$250	.0000	.0003	.0020	.0056	.0113	.0296	.0569	.0927	.1362
53	\$120	.0000	.0003	.0017	.0049	.0100	.0270	.0540	.0925	.1422
	\$250	.0000	.0003	.0017	.0049	.0101	.0271	.0530	.0874	.1297
54	\$120	.0000	.0002	.0014	.0042	.0089	.0246	.0507	.0884	.1376
	\$250	.0000	.0002	.0014	.0043	.0090	.0247	.0493	.0823	.1235
55	\$120	.0000	.0002	.0012	.0036	.0079	.0225	.0476	.0844	.1331
	\$250	.0000	.0002	.0012	.0037	.0079	.0225	.0456	.0772	.1174
56	\$120	.0000	.0001	.0010	.0031	.0069	.0204	.0445	.0805	.1287
	\$250	.0000	.0001	.0010	.0031	.0069	.0203	.0420	.0723	.1115
57	\$120	.0000	.0001	.0008	.0026	.0060	.0186	.0416	.0768	.1245
	\$250	.0000	.0001	.0008	.0027	.0060	.0182	.0385	.0675	.1059
58	\$120	.0000	.0001	.0007	.0022	.0051	.0168	.0388	.0731	.1203
	\$250	.0000	.0001	.0007	.0022	.0052	.0162	.0352	.0630	.1004
	\$500	.0000	.0001	.0007	.0022	.0052	.0163	.0353	.0628	.0988
59	\$120	.0000	.0001	.0005	.0018	.0044	.0151	.0361	.0696	.1163
	\$250	.0000	.0001	.0005	.0019	.0044	.0144	.0320	.0586	.0951
	\$500	.0000	.0001	.0005	.0019	.0044	.0144	.0320	.0581	.0929
60	\$120	.0000	.0000	.0004	.0015	.0037	.0136	.0336	.0662	.1123
	\$250	.0000	.0000	.0004	.0015	.0037	.0126	.0290	.0544	.0899
	\$500	.0000	.0000	.0004	.0015	.0037	.0127	.0289	.0536	.0870
61	\$120	.0000	.0000	.0003	.0012	.0031	.0121	.0311	.0629	.1085
	\$250	.0000	.0000	.0003	.0012	.0031	.0110	.0261	.0504	.0848
	\$500	.0000	.0000	.0003	.0012	.0031	.0110	.0260	.0492	.0813
62	\$120	.0000	.0000	.0002	.0010	.0026	.0108	.0288	.0597	.1048
	\$250	.0000	.0000	.0002	.0010	.0026	.0095	.0234	.0465	.0800
	\$500	.0000	.0000	.0002	.0010	.0026	.0095	.0231	.0449	.0758

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
63	\$120	.0000	.0000	.0002	.0008	.0022	.0095	.0265	.0566	.1012
	\$250	.0000	.0000	.0002	.0008	.0021	.0081	.0209	.0428	.0752
	\$500	.0000	.0000	.0002	.0008	.0021	.0081	.0205	.0408	.0703
64	\$120	.0000	.0000	.0001	.0006	.0018	.0084	.0244	.0536	.0977
	\$250	.0000	.0000	.0001	.0006	.0017	.0069	.0186	.0392	.0706
	\$500	.0000	.0000	.0001	.0006	.0017	.0068	.0180	.0369	.0651
	\$1,000	.0000	.0000	.0001	.0006	.0017	.0068	.0180	.0370	.0650
65	\$120	.0000	.0000	.0001	.0005	.0014	.0074	.0224	.0507	.0943
	\$250	.0000	.0000	.0001	.0004	.0013	.0058	.0164	.0359	.0662
	\$500	.0000	.0000	.0001	.0004	.0013	.0057	.0156	.0332	.0600
	\$1,000	.0000	.0000	.0001	.0004	.0013	.0057	.0156	.0332	.0599
66	\$120	.0000	.0000	.0001	.0003	.0012	.0064	.0206	.0480	.0910
	\$250	.0000	.0000	.0001	.0003	.0010	.0048	.0144	.0326	.0619
	\$500	.0000	.0000	.0001	.0003	.0010	.0046	.0134	.0296	.0552
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0047	.0134	.0296	.0549
67	\$120	.0000	.0000	.0000	.0003	.0009	.0056	.0188	.0453	.0878
	\$250	.0000	.0000	.0000	.0002	.0007	.0039	.0125	.0296	.0578
	\$500	.0000	.0000	.0000	.0002	.0007	.0037	.0114	.0263	.0504
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0037	.0114	.0262	.0500
68	\$120	.0000	.0000	.0000	.0002	.0007	.0048	.0171	.0428	.0848
	\$250	.0000	.0000	.0000	.0002	.0005	.0032	.0108	.0267	.0538
	\$500	.0000	.0000	.0000	.0002	.0005	.0029	.0096	.0231	.0459
	\$1,000	.0000	.0000	.0000	.0002	.0005	.0029	.0095	.0229	.0453
69	\$120	.0000	.0000	.0000	.0001	.0005	.0041	.0156	.0404	.0818
	\$250	.0000	.0000	.0000	.0001	.0004	.0025	.0092	.0240	.0500
	\$500	.0000	.0000	.0000	.0001	.0004	.0022	.0079	.0201	.0416
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0022	.0078	.0199	.0408
70	\$120	.0000	.0000	.0000	.0001	.0004	.0035	.0141	.0381	.0790
	\$250	.0000	.0000	.0000	.0001	.0003	.0019	.0078	.0214	.0463
	\$500	.0000	.0000	.0000	.0001	.0002	.0017	.0064	.0174	.0374
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0017	.0063	.0170	.0365
71	\$120	.0000	.0000	.0000	.0001	.0003	.0029	.0128	.0359	.0762
	\$250	.0000	.0000	.0000	.0000	.0002	.0015	.0065	.0190	.0428
	\$500	.0000	.0000	.0000	.0000	.0001	.0012	.0051	.0147	.0334
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0012	.0049	.0143	.0323
72	\$120	.0000	.0000	.0000	.0000	.0002	.0024	.0116	.0338	.0737
	\$250	.0000	.0000	.0000	.0000	.0001	.0011	.0054	.0168	.0395
	\$500	.0000	.0000	.0000	.0000	.0001	.0008	.0039	.0124	.0297
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0008	.0038	.0119	.0284
73	\$120	.0000	.0000	.0000	.0000	.0002	.0020	.0105	.0320	.0714
	\$250	.0000	.0000	.0000	.0000	.0001	.0008	.0044	.0148	.0365
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0104	.0263
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0028	.0098	.0249
74	\$120	.0000	.0000	.0000	.0000	.0001	.0018	.0098	.0308	.0699
	\$250	.0000	.0000	.0000	.0000	.0000	.0006	.0038	.0136	.0346

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0091	.0242
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0085	.0227

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 4  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9145	.8968	.8811	.8669	.8537	.8414	.8298	.8188	.8084	.7984	.7889	.7797	.7708	.7622
2	.9091	.8903	.8736	.8584	.8444	.8313	.8190	.8074	.7963	.7857	.7755	.7657	.7563	.7472
3	.9038	.8839	.8662	.8501	.8352	.8214	.8083	.7960	.7842	.7730	.7622	.7519	.7420	.7324
4	.8985	.8775	.8588	.8417	.8260	.8113	.7975	.7845	.7721	.7602	.7489	.7380	.7275	.7174
5	.8933	.8711	.8514	.8334	.8168	.8014	.7868	.7731	.7600	.7475	.7356	.7241	.7131	.7025
6	.8881	.8648	.8440	.8251	.8077	.7914	.7761	.7617	.7479	.7348	.7223	.7103	.6988	.6877
7	.8830	.8585	.8367	.8169	.7986	.7815	.7655	.7503	.7359	.7222	.7091	.6966	.6845	.6729
8	.8779	.8523	.8294	.8087	.7895	.7716	.7548	.7390	.7240	.7097	.6960	.6829	.6704	.6583
9	.8728	.8461	.8222	.8005	.7804	.7618	.7443	.7277	.7121	.6972	.6829	.6693	.6563	.6437
10	.8679	.8399	.8150	.7923	.7714	.7520	.7337	.7165	.7002	.6847	.6699	.6558	.6423	.6293
11	.8629	.8338	.8078	.7842	.7625	.7422	.7232	.7053	.6884	.6723	.6570	.6424	.6284	.6150
12	.8580	.8277	.8007	.7761	.7535	.7325	.7127	.6942	.6766	.6600	.6441	.6290	.6146	.6007
13	.8532	.8217	.7936	.7681	.7446	.7227	.7023	.6831	.6649	.6477	.6313	.6157	.6009	.5866
14	.8483	.8157	.7865	.7600	.7357	.7130	.6919	.6720	.6532	.6355	.6186	.6025	.5872	.5726
15	.8435	.8097	.7794	.7520	.7268	.7033	.6815	.6609	.6416	.6233	.6059	.5894	.5737	.5587
16	.8388	.8037	.7724	.7440	.7179	.6937	.6711	.6499	.6300	.6112	.5933	.5764	.5602	.5449
17	.8340	.7977	.7654	.7360	.7090	.6841	.6608	.6390	.6184	.5991	.5808	.5634	.5469	.5312
18	.8293	.7918	.7584	.7280	.7002	.6744	.6505	.6280	.6069	.5871	.5683	.5505	.5337	.5176
19	.8246	.7859	.7514	.7201	.6914	.6649	.6402	.6171	.5955	.5751	.5559	.5378	.5205	.5041
20	.8200	.7800	.7444	.7122	.6826	.6553	.6299	.6063	.5841	.5633	.5436	.5251	.5075	.4908
21	.8154	.7742	.7375	.7042	.6738	.6457	.6197	.5954	.5727	.5514	.5313	.5124	.4945	.4775
22	.8108	.7683	.7305	.6963	.6650	.6362	.6095	.5846	.5614	.5396	.5191	.4998	.4816	.4643
23	.8062	.7625	.7236	.6884	.6562	.6267	.5993	.5739	.5501	.5279	.5070	.4873	.4688	.4512
24	.8016	.7567	.7166	.6805	.6475	.6172	.5891	.5631	.5388	.5162	.4949	.4749	.4560	.4382
25	.7971	.7509	.7097	.6726	.6387	.6077	.5790	.5524	.5276	.5045	.4828	.4625	.4433	.4253
26	.7926	.7451	.7028	.6647	.6300	.5982	.5688	.5417	.5164	.4929	.4708	.4502	.4307	.4124
27	.7881	.7393	.6959	.6568	.6213	.5887	.5587	.5310	.5053	.4813	.4589	.4379	.4182	.3996
28	.7837	.7336	.6890	.6489	.6125	.5792	.5486	.5203	.4941	.4697	.4469	.4256	.4056	.3868
29	.7793	.7279	.6822	.6411	.6038	.5698	.5385	.5097	.4830	.4582	.4351	.4134	.3932	.3741
30	.7749	.7222	.6753	.6333	.5951	.5603	.5284	.4991	.4719	.4467	.4232	.4013	.3807	.3614
31	.7706	.7165	.6685	.6254	.5865	.5509	.5184	.4885	.4608	.4352	.4114	.3891	.3683	.3488
32	.7663	.7109	.6617	.6176	.5778	.5415	.5083	.4779	.4497	.4237	.3995	.3770	.3559	.3362
33	.7620	.7052	.6549	.6098	.5691	.5321	.4983	.4673	.4387	.4123	.3877	.3649	.3436	.3236
34	.7577	.6996	.6481	.6020	.5604	.5227	.4882	.4566	.4276	.4008	.3759	.3527	.3311	.3109
35	.7536	.6941	.6414	.5942	.5518	.5132	.4781	.4460	.4165	.3893	.3640	.3406	.3187	.2983
36	.7494	.6885	.6346	.5864	.5431	.5038	.4680	.4354	.4054	.3777	.3521	.3284	.3063	.2857
37	.7453	.6830	.6279	.5787	.5344	.4943	.4579	.4247	.3942	.3661	.3402	.3162	.2939	.2732
38	.7412	.6776	.6212	.5709	.5257	.4849	.4478	.4140	.3830	.3545	.3282	.3040	.2815	.2608
39	.7372	.6722	.6145	.5632	.5170	.4754	.4377	.4033	.3718	.3429	.3163	.2918	.2693	.2485
40	.7333	.6668	.6080	.5555	.5084	.4660	.4276	.3926	.3606	.3313	.3045	.2798	.2572	.2363
41	.7295	.6616	.6014	.5479	.4999	.4566	.4175	.3819	.3495	.3199	.2928	.2680	.2452	.2244
42	.7258	.6564	.5950	.5403	.4914	.4473	.4075	.3714	.3385	.3085	.2812	.2563	.2335	.2128

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
43	.7221	.6514	.5887	.5329	.4830	.4381	.3976	.3608	.3275	.2973	.2698	.2448	.2220	.2014
44	.7186	.6464	.5825	.5255	.4746	.4289	.3877	.3504	.3167	.2862	.2585	.2335	.2108	.1902
45	.7152	.6416	.5763	.5182	.4663	.4198	.3778	.3400	.3060	.2752	.2474	.2224	.1998	.1794
46	.7118	.6368	.5703	.5110	.4581	.4107	.3681	.3298	.2954	.2644	.2365	.2115	.1890	.1688
47	.7086	.6322	.5643	.5039	.4499	.4016	.3584	.3196	.2849	.2537	.2258	.2008	.1785	.1586
48	.7055	.6276	.5584	.4968	.4418	.3927	.3488	.3095	.2745	.2432	.2153	.1904	.1683	.1486
49	.7025	.6232	.5526	.4897	.4337	.3838	.3392	.2995	.2642	.2328	.2049	.1802	.1583	.1389
50	.6995	.6188	.5468	.4828	.4257	.3749	.3297	.2896	.2540	.2225	.1947	.1702	.1486	.1295
51	.6967	.6145	.5412	.4759	.4177	.3661	.3203	.2798	.2440	.2125	.1847	.1604	.1391	.1205
52	.6940	.6103	.5356	.4690	.4098	.3573	.3110	.2701	.2341	.2026	.1750	.1509	.1299	.1117
53	.6914	.6063	.5301	.4622	.4020	.3487	.3017	.2604	.2243	.1928	.1654	.1416	.1210	.1033
54	.6889	.6023	.5247	.4555	.3942	.3401	.2925	.2509	.2147	.1832	.1560	.1326	.1124	.0951
55	.6865	.5984	.5194	.4489	.3865	.3315	.2834	.2415	.2052	.1738	.1468	.1238	.1041	.0873
56	.6842	.5947	.5141	.4423	.3788	.3231	.2744	.2322	.1958	.1646	.1379	.1152	.0960	.0798
57	.6820	.5910	.5090	.4359	.3713	.3147	.2655	.2230	.1866	.1555	.1292	.1069	.0882	.0726
58	.6799	.5875	.5040	.4295	.3638	.3064	.2567	.2139	.1775	.1466	.1207	.0989	.0808	.0658
59	.6780	.5841	.4991	.4233	.3564	.2982	.2479	.2050	.1686	.1380	.1124	.0912	.0736	.0593
60	.6761	.5808	.4944	.4172	.3492	.2901	.2393	.1962	.1598	.1295	.1044	.0837	.0668	.0531
61	.6744	.5777	.4898	.4111	.3420	.2821	.2308	.1875	.1513	.1212	.0966	.0766	.0603	.0473
62	.6728	.5748	.4853	.4053	.3350	.2742	.2224	.1790	.1429	.1132	.0891	.0697	.0542	.0419
63	.6713	.5720	.4810	.3995	.3280	.2664	.2142	.1706	.1346	.1054	.0819	.0632	.0484	.0369
64	.6700	.5693	.4768	.3939	.3212	.2587	.2060	.1623	.1266	.0978	.0749	.0570	.0430	.0322
65	.6688	.5668	.4729	.3885	.3146	.2512	.1980	.1542	.1188	.0905	.0683	.0511	.0379	.0279
66	.6677	.5645	.4691	.3833	.3081	.2438	.1902	.1463	.1112	.0835	.0620	.0456	.0332	.0240
67	.6667	.5624	.4655	.3782	.3017	.2366	.1825	.1386	.1038	.0767	.0560	.0404	.0289	.0204
68	.6659	.5604	.4621	.3733	.2955	.2294	.1749	.1311	.0967	.0702	.0503	.0356	.0249	.0172
69	.6652	.5587	.4589	.3685	.2894	.2224	.1675	.1237	.0898	.0640	.0450	.0312	.0213	.0144
70	.6646	.5571	.4559	.3640	.2835	.2156	.1603	.1166	.0831	.0582	.0400	.0271	.0181	.0119
71	.6640	.5556	.4531	.3595	.2776	.2087	.1530	.1095	.0766	.0525	.0353	.0233	.0152	.0097
72	.6636	.5544	.4505	.3555	.2722	.2023	.1462	.1029	.0706	.0474	.0311	.0201	.0127	.0079
73	.6633	.5534	.4483	.3517	.2671	.1963	.1399	.0968	.0652	.0428	.0274	.0172	.0106	.0064
74	.6632	.5528	.4469	.3494	.2638	.1924	.1358	.0929	.0617	.0400	.0252	.0156	.0094	.0056

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 4  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0356	.0744	.1161	.1601	.2517	.3464	.4431	.5412
2	.0000	.0339	.0716	.1126	.1559	.2463	.3399	.4356	.5328
3	.0000	.0322	.0689	.1093	.1519	.2410	.3335	.4282	.5245
4	.0000	.0306	.0664	.1060	.1478	.2357	.3271	.4207	.5161
5	.0000	.0291	.0639	.1027	.1439	.2305	.3207	.4133	.5078
6	.0000	.0276	.0615	.0996	.1400	.2253	.3144	.4060	.4995
7	.0000	.0262	.0592	.0965	.1362	.2201	.3081	.3987	.4912
8	.0000	.0248	.0570	.0934	.1324	.2151	.3018	.3914	.4830
9	.0000	.0235	.0548	.0905	.1287	.2100	.2957	.3842	.4748
10	.0000	.0223	.0527	.0876	.1250	.2050	.2895	.3770	.4667
11	.0000	.0211	.0507	.0847	.1214	.2001	.2834	.3698	.4586
12	.0000	.0200	.0487	.0819	.1179	.1952	.2773	.3627	.4505

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
13	.0000	.0190	.0467	.0791	.1144	.1903	.2713	.3556	.4425
14	.0000	.0179	.0448	.0764	.1109	.1855	.2652	.3485	.4344
15	.0000	.0169	.0430	.0737	.1074	.1807	.2592	.3414	.4264
16	.0000	.0160	.0411	.0711	.1040	.1759	.2533	.3344	.4184
17	.0000	.0151	.0394	.0685	.1007	.1712	.2473	.3274	.4104
18	.0000	.0142	.0376	.0659	.0973	.1665	.2414	.3204	.4024
19	.0000	.0134	.0359	.0634	.0941	.1618	.2355	.3134	.3945
20	.0000	.0126	.0343	.0609	.0908	.1572	.2296	.3064	.3865
21	.0000	.0118	.0326	.0585	.0876	.1525	.2237	.2994	.3786
22	.0000	.0110	.0310	.0561	.0844	.1479	.2179	.2925	.3707
23	.0000	.0103	.0295	.0537	.0813	.1434	.2121	.2855	.3627
24	.0000	.0096	.0280	.0513	.0781	.1388	.2062	.2786	.3548
25	.0000	.0090	.0265	.0490	.0751	.1343	.2004	.2717	.3469
26	.0000	.0083	.0250	.0468	.0720	.1298	.1947	.2648	.3391
27	.0000	.0077	.0236	.0446	.0690	.1253	.1889	.2579	.3312
28	.0000	.0071	.0223	.0424	.0660	.1209	.1832	.2510	.3233
29	.0000	.0066	.0209	.0402	.0631	.1165	.1774	.2442	.3155
30	.0000	.0061	.0196	.0381	.0602	.1121	.1717	.2373	.3076
31	.0000	.0056	.0184	.0361	.0574	.1078	.1661	.2305	.2998
32	.0000	.0051	.0172	.0341	.0545	.1034	.1604	.2237	.2920
33	.0000	.0046	.0160	.0321	.0518	.0992	.1548	.2169	.2842
34	.0000	.0042	.0149	.0302	.0491	.0949	.1492	.2101	.2764
35	.0000	.0038	.0138	.0283	.0464	.0907	.1437	.2034	.2686
36	.0000	.0034	.0127	.0265	.0438	.0866	.1381	.1966	.2608
37	.0000	.0031	.0117	.0247	.0412	.0825	.1326	.1899	.2530
38	.0000	.0028	.0107	.0230	.0387	.0784	.1271	.1832	.2453
39	.0000	.0025	.0098	.0213	.0362	.0744	.1217	.1765	.2375
40	.0000	.0022	.0090	.0197	.0339	.0705	.1164	.1699	.2299
41	.0000	.0019	.0081	.0182	.0316	.0667	.1112	.1634	.2222
42	.0000	.0017	.0074	.0167	.0293	.0629	.1060	.1570	.2147
43	.0000	.0015	.0066	.0153	.0272	.0593	.1010	.1507	.2073
44	.0000	.0013	.0060	.0140	.0252	.0558	.0960	.1444	.1999
45	.0000	.0011	.0053	.0128	.0232	.0524	.0912	.1383	.1926
46	.0000	.0010	.0047	.0116	.0214	.0490	.0864	.1322	.1854
47	.0000	.0008	.0042	.0105	.0196	.0458	.0817	.1263	.1782
48	.0000	.0007	.0037	.0094	.0179	.0427	.0772	.1204	.1712
49	.0000	.0006	.0033	.0085	.0163	.0397	.0727	.1146	.1641
50	.0000	.0005	.0028	.0075	.0148	.0367	.0684	.1088	.1571
51	.0000	.0004	.0025	.0067	.0133	.0339	.0641	.1032	.1502
52	.0000	.0003	.0021	.0059	.0119	.0312	.0599	.0976	.1434
53	.0000	.0003	.0018	.0052	.0107	.0286	.0558	.0921	.1366
54	.0000	.0002	.0015	.0045	.0095	.0261	.0519	.0867	.1299
55	.0000	.0002	.0013	.0039	.0083	.0237	.0480	.0813	.1233
56	.0000	.0001	.0011	.0033	.0073	.0214	.0442	.0761	.1167
57	.0000	.0001	.0009	.0028	.0063	.0192	.0406	.0710	.1103
58	.0000	.0001	.0007	.0024	.0055	.0171	.0371	.0660	.1039

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
59	.0000	.0001	.0006	.0020	.0047	.0151	.0337	.0611	.0976
60	.0000	.0000	.0004	.0016	.0039	.0133	.0304	.0564	.0915
61	.0000	.0000	.0003	.0013	.0033	.0116	.0273	.0517	.0855
62	.0000	.0000	.0003	.0010	.0027	.0100	.0243	.0473	.0796
63	.0000	.0000	.0002	.0008	.0022	.0085	.0215	.0430	.0739
64	.0000	.0000	.0001	.0006	.0017	.0072	.0189	.0388	.0683
65	.0000	.0000	.0001	.0005	.0014	.0060	.0164	.0349	.0629
66	.0000	.0000	.0001	.0003	.0010	.0049	.0141	.0311	.0576
67	.0000	.0000	.0000	.0002	.0008	.0039	.0120	.0275	.0525
68	.0000	.0000	.0000	.0002	.0006	.0031	.0100	.0241	.0476
69	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0209	.0429
70	.0000	.0000	.0000	.0001	.0002	.0017	.0066	.0179	.0384
71	.0000	.0000	.0000	.0000	.0001	.0012	.0052	.0150	.0339
72	.0000	.0000	.0000	.0000	.0001	.0008	.0040	.0125	.0298
73	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0103	.0261
74	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0089	.0238

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 4  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7329	.6663	.6072	.5545	.5072	.4659	.4317	.4034	.3797	.3599	.3433	.3292	.3175	.3079
41	\$120	.7291	.6610	.6007	.5469	.4989	.4582	.4246	.3967	.3734	.3539	.3376	.3240	.3129	.3039
42	\$120	.7254	.6559	.5942	.5393	.4912	.4510	.4178	.3902	.3672	.3481	.3321	.3192	.3087	.3003
43	\$120	.7218	.6508	.5879	.5320	.4840	.4442	.4113	.3840	.3613	.3424	.3271	.3147	.3049	.2969
44	\$120	.7182	.6459	.5817	.5250	.4773	.4378	.4050	.3779	.3555	.3371	.3224	.3107	.3013	.2938
45	\$120	.7148	.6410	.5755	.5185	.4709	.4315	.3989	.3720	.3499	.3322	.3181	.3069	.2980	.2910
46	\$120	.7115	.6363	.5696	.5124	.4648	.4254	.3929	.3662	.3447	.3276	.3140	.3033	.2949	.2884
47	\$120	.7083	.6316	.5640	.5066	.4589	.4194	.3870	.3607	.3398	.3232	.3102	.3000	.2921	.2860
48	\$120	.7052	.6271	.5586	.5010	.4531	.4136	.3813	.3555	.3351	.3190	.3065	.2969	.2895	.2839
49	\$120	.7022	.6227	.5536	.4955	.4474	.4079	.3759	.3506	.3306	.3151	.3031	.2940	.2871	.2819
50	\$120	.6992	.6185	.5487	.4902	.4418	.4023	.3707	.3458	.3263	.3114	.3000	.2914	.2849	.2801
	\$250	.6995	.6186	.5466	.4824	.4253	.3746	.3306	.2930	.2611	.2341	.2114	.1923	.1762	.1628
51	\$120	.6964	.6145	.5441	.4851	.4364	.3970	.3657	.3412	.3223	.3079	.2970	.2889	.2829	.2785
	\$250	.6966	.6144	.5410	.4755	.4173	.3663	.3223	.2850	.2534	.2268	.2044	.1858	.1703	.1575
52	\$120	.6937	.6107	.5396	.4800	.4311	.3918	.3608	.3368	.3184	.3046	.2942	.2866	.2811	.2771
	\$250	.6939	.6102	.5354	.4687	.4096	.3583	.3144	.2772	.2459	.2196	.1977	.1796	.1647	.1525
53	\$120	.6911	.6071	.5352	.4750	.4259	.3868	.3561	.3326	.3147	.3014	.2917	.2846	.2795	.2758
	\$250	.6913	.6061	.5299	.4619	.4021	.3505	.3066	.2696	.2385	.2127	.1912	.1737	.1594	.1479
54	\$120	.6887	.6037	.5309	.4702	.4209	.3819	.3516	.3285	.3112	.2985	.2893	.2827	.2780	.2747
	\$250	.6888	.6022	.5245	.4553	.3949	.3431	.2991	.2622	.2314	.2059	.1851	.1681	.1545	.1435
55	\$120	.6864	.6004	.5267	.4654	.4160	.3771	.3472	.3246	.3079	.2958	.2871	.2809	.2766	.2736
	\$250	.6864	.5983	.5191	.4489	.3879	.3358	.2918	.2550	.2245	.1995	.1792	.1629	.1498	.1395
56	\$120	.6843	.5972	.5226	.4609	.4113	.3725	.3430	.3209	.3048	.2932	.2850	.2793	.2754	.2727
	\$250	.6841	.5945	.5140	.4428	.3812	.3287	.2846	.2479	.2177	.1932	.1735	.1578	.1454	.1357
57	\$120	.6823	.5941	.5187	.4564	.4066	.3680	.3389	.3174	.3018	.2908	.2832	.2779	.2743	.2720

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$250	.6819	.5909	.5090	.4368	.3746	.3218	.2775	.2410	.2112	.1873	.1682	.1531	.1413	.1322
58	\$120	.6804	.5912	.5148	.4520	.4021	.3637	.3350	.3140	.2990	.2886	.2814	.2766	.2734	.2713
	\$250	.6799	.5874	.5042	.4311	.3682	.3149	.2706	.2343	.2049	.1815	.1630	.1486	.1375	.1289
	\$500	.6799	.5875	.5040	.4294	.3637	.3062	.2566	.2142	.1783	.1482	.1232	.1025	.0855	.0716
59	\$120	.6787	.5884	.5111	.4478	.3977	.3595	.3312	.3108	.2964	.2865	.2798	.2754	.2725	.2707
	\$250	.6779	.5840	.4996	.4255	.3618	.3082	.2639	.2278	.1989	.1760	.1582	.1444	.1339	.1259
	\$500	.6779	.5841	.4991	.4232	.3563	.2981	.2480	.2056	.1699	.1401	.1156	.0955	.0792	.0660
60	\$120	.6771	.5857	.5075	.4436	.3934	.3554	.3276	.3077	.2940	.2846	.2784	.2744	.2718	.2701
	\$250	.6761	.5809	.4952	.4200	.3557	.3017	.2573	.2215	.1930	.1707	.1535	.1404	.1306	.1232
	\$500	.6761	.5808	.4943	.4171	.3491	.2901	.2397	.1972	.1617	.1323	.1083	.0889	.0733	.0608
61	\$120	.6755	.5831	.5041	.4396	.3893	.3515	.3241	.3048	.2916	.2828	.2771	.2734	.2711	.2697
	\$250	.6744	.5779	.4909	.4148	.3496	.2953	.2509	.2153	.1873	.1657	.1492	.1367	.1275	.1207
	\$500	.6744	.5777	.4897	.4110	.3420	.2823	.2315	.1889	.1536	.1247	.1013	.0826	.0676	.0559
62	\$120	.6741	.5806	.5007	.4357	.3852	.3477	.3208	.3021	.2895	.2812	.2759	.2726	.2706	.2693
	\$250	.6728	.5750	.4869	.4096	.3438	.2891	.2447	.2094	.1819	.1609	.1450	.1333	.1247	.1185
	\$500	.6728	.5747	.4852	.4052	.3350	.2746	.2235	.1809	.1458	.1174	.0946	.0765	.0624	.0513
63	\$120	.6728	.5783	.4975	.4319	.3813	.3440	.3176	.2995	.2875	.2797	.2749	.2719	.2701	.2690
	\$250	.6713	.5724	.4830	.4046	.3380	.2830	.2386	.2036	.1767	.1563	.1412	.1301	.1221	.1165
	\$500	.6713	.5719	.4809	.3995	.3282	.2671	.2156	.1730	.1382	.1103	.0882	.0709	.0574	.0471
64	\$120	.6716	.5761	.4943	.4282	.3775	.3405	.3145	.2970	.2856	.2784	.2739	.2712	.2697	.2687
	\$250	.6700	.5699	.4792	.3998	.3324	.2770	.2327	.1981	.1717	.1520	.1376	.1272	.1198	.1147
	\$500	.6700	.5693	.4768	.3940	.3216	.2597	.2079	.1653	.1309	.1035	.0821	.0655	.0528	.0433
	\$1,000	.6700	.5693	.4768	.3939	.3212	.2587	.2060	.1623	.1266	.0979	.0750	.0570	.0431	.0323
65	\$120	.6705	.5740	.4913	.4246	.3739	.3371	.3117	.2948	.2839	.2772	.2731	.2707	.2693	.2685
	\$250	.6689	.5676	.4757	.3951	.3270	.2712	.2269	.1927	.1669	.1479	.1342	.1245	.1177	.1131
	\$500	.6688	.5668	.4729	.3887	.3152	.2525	.2003	.1578	.1237	.0970	.0762	.0604	.0486	.0397
	\$1,000	.6688	.5668	.4729	.3885	.3146	.2512	.1980	.1542	.1188	.0906	.0684	.0512	.0380	.0281
66	\$120	.6695	.5720	.4884	.4212	.3703	.3338	.3089	.2926	.2823	.2761	.2723	.2702	.2690	.2683
	\$250	.6678	.5655	.4723	.3907	.3217	.2656	.2214	.1875	.1624	.1441	.1311	.1220	.1158	.1116
	\$500	.6677	.5645	.4692	.3836	.3089	.2455	.1930	.1505	.1168	.0907	.0707	.0557	.0446	.0365
	\$1,000	.6677	.5645	.4691	.3833	.3081	.2438	.1902	.1464	.1112	.0836	.0621	.0457	.0334	.0242
67	\$120	.6686	.5702	.4857	.4179	.3669	.3307	.3063	.2906	.2809	.2751	.2717	.2698	.2687	.2682
	\$250	.6669	.5635	.4691	.3863	.3166	.2602	.2160	.1826	.1580	.1405	.1282	.1198	.1141	.1104
	\$500	.6667	.5624	.4656	.3786	.3028	.2386	.1858	.1434	.1102	.0847	.0655	.0514	.0411	.0337
	\$1,000	.6667	.5624	.4655	.3782	.3017	.2366	.1825	.1387	.1039	.0768	.0562	.0406	.0291	.0207
68	\$120	.6678	.5684	.4830	.4147	.3636	.3278	.3039	.2888	.2796	.2742	.2711	.2694	.2685	.2680
	\$250	.6661	.5617	.4661	.3822	.3117	.2549	.2108	.1778	.1539	.1371	.1255	.1177	.1126	.1093
	\$500	.6659	.5605	.4623	.3739	.2968	.2319	.1788	.1365	.1038	.0790	.0607	.0473	.0378	.0311
	\$1,000	.6659	.5604	.4621	.3733	.2955	.2294	.1750	.1312	.0968	.0704	.0505	.0359	.0252	.0176
69	\$120	.6671	.5668	.4805	.4116	.3605	.3249	.3016	.2870	.2784	.2734	.2706	.2691	.2683	.2679
	\$250	.6654	.5601	.4632	.3781	.3068	.2497	.2058	.1733	.1501	.1339	.1231	.1159	.1113	.1084
	\$500	.6652	.5587	.4592	.3693	.2911	.2253	.1719	.1298	.0976	.0736	.0561	.0436	.0349	.0289
	\$1,000	.6652	.5587	.4589	.3685	.2894	.2225	.1676	.1238	.0899	.0642	.0452	.0315	.0217	.0148
70	\$120	.6665	.5653	.4781	.4086	.3574	.3222	.2994	.2855	.2773	.2727	.2702	.2689	.2682	.2679
	\$250	.6649	.5586	.4605	.3743	.3022	.2447	.2010	.1690	.1464	.1310	.1209	.1143	.1102	.1076
	\$500	.6646	.5572	.4563	.3649	.2855	.2189	.1652	.1234	.0917	.0685	.0519	.0402	.0323	.0269
	\$1,000	.6646	.5571	.4559	.3640	.2835	.2156	.1603	.1167	.0833	.0584	.0403	.0275	.0185	.0123
71	\$120	.6659	.5638	.4757	.4057	.3545	.3196	.2974	.2840	.2763	.2720	.2698	.2687	.2681	.2678
	\$250	.6644	.5572	.4580	.3705	.2976	.2398	.1962	.1647	.1429	.1283	.1188	.1128	.1092	.1070
	\$500	.6641	.5557	.4535	.3607	.2799	.2125	.1586	.1170	.0860	.0636	.0478	.0371	.0299	.0252
	\$1,000	.6640	.5556	.4531	.3596	.2777	.2088	.1531	.1097	.0768	.0528	.0356	.0237	.0156	.0102
72	\$120	.6654	.5626	.4736	.4030	.3517	.3172	.2955	.2826	.2754	.2715	.2695	.2685	.2680	.2678
	\$250	.6640	.5560	.4557	.3671	.2933	.2353	.1918	.1609	.1398	.1259	.1171	.1116	.1083	.1064

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$500	.6637	.5546	.4511	.3568	.2748	.2066	.1524	.1111	.0807	.0592	.0443	.0344	.0279	.0237
	\$1,000	.6636	.5544	.4505	.3555	.2722	.2024	.1464	.1031	.0709	.0477	.0315	.0205	.0132	.0084
73	\$120	.6650	.5614	.4716	.4006	.3493	.3151	.2938	.2815	.2747	.2711	.2692	.2683	.2679	.2677
	\$250	.6636	.5550	.4536	.3640	.2894	.2310	.1878	.1574	.1370	.1238	.1155	.1106	.1077	.1060
	\$500	.6634	.5536	.4489	.3533	.2700	.2010	.1467	.1056	.0759	.0552	.0412	.0321	.0262	.0226
	\$1,000	.6633	.5534	.4483	.3518	.2671	.1964	.1401	.0970	.0655	.0432	.0279	.0177	.0112	.0070
74	\$120	.6647	.5607	.4704	.3991	.3477	.3137	.2928	.2808	.2742	.2708	.2691	.2683	.2679	.2677
	\$250	.6635	.5545	.4524	.3620	.2870	.2284	.1853	.1553	.1353	.1225	.1146	.1100	.1073	.1057
	\$500	.6632	.5530	.4476	.3511	.2670	.1975	.1430	.1022	.0730	.0528	.0394	.0307	.0252	.0219
	\$1,000	.6632	.5528	.4469	.3494	.2639	.1926	.1361	.0932	.0621	.0404	.0257	.0161	.0100	.0062

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 4  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0022	.0089	.0196	.0337	.0701	.1158	.1692	.2289
41	\$120	.0000	.0019	.0081	.0181	.0314	.0663	.1106	.1626	.2212
42	\$120	.0000	.0017	.0073	.0166	.0292	.0626	.1055	.1562	.2137
43	\$120	.0000	.0015	.0066	.0152	.0270	.0590	.1004	.1499	.2063
44	\$120	.0000	.0013	.0059	.0139	.0250	.0554	.0955	.1437	.1994
45	\$120	.0000	.0011	.0053	.0127	.0231	.0520	.0906	.1375	.1929
46	\$120	.0000	.0009	.0047	.0115	.0212	.0487	.0859	.1316	.1868
47	\$120	.0000	.0008	.0042	.0104	.0194	.0455	.0812	.1259	.1809
48	\$120	.0000	.0007	.0037	.0093	.0177	.0424	.0767	.1206	.1753
49	\$120	.0000	.0006	.0032	.0084	.0161	.0393	.0723	.1156	.1699
50	\$120	.0000	.0005	.0028	.0075	.0146	.0364	.0680	.1107	.1646
	\$250	.0000	.0005	.0028	.0075	.0147	.0366	.0682	.1086	.1568
51	\$120	.0000	.0004	.0024	.0066	.0132	.0336	.0641	.1061	.1594
	\$250	.0000	.0004	.0024	.0067	.0133	.0338	.0639	.1029	.1499
52	\$120	.0000	.0003	.0021	.0058	.0118	.0309	.0603	.1015	.1544
	\$250	.0000	.0003	.0021	.0059	.0119	.0311	.0598	.0973	.1431
53	\$120	.0000	.0003	.0018	.0051	.0106	.0283	.0567	.0971	.1494
	\$250	.0000	.0003	.0018	.0051	.0106	.0285	.0557	.0918	.1363
54	\$120	.0000	.0002	.0015	.0044	.0094	.0259	.0533	.0929	.1445
	\$250	.0000	.0002	.0015	.0045	.0094	.0260	.0517	.0864	.1297
55	\$120	.0000	.0002	.0013	.0038	.0082	.0236	.0500	.0887	.1398
	\$250	.0000	.0002	.0013	.0039	.0083	.0236	.0479	.0811	.1233
56	\$120	.0000	.0001	.0010	.0033	.0072	.0215	.0468	.0846	.1352
	\$250	.0000	.0001	.0011	.0033	.0073	.0213	.0441	.0759	.1172
57	\$120	.0000	.0001	.0009	.0028	.0063	.0195	.0437	.0806	.1308
	\$250	.0000	.0001	.0009	.0028	.0063	.0191	.0405	.0710	.1112
58	\$120	.0000	.0001	.0007	.0023	.0054	.0176	.0408	.0768	.1264

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0001	.0007	.0024	.0054	.0170	.0370	.0662	.1054
	\$500	.0000	.0001	.0007	.0024	.0055	.0171	.0370	.0659	.1038
59	\$120	.0000	.0001	.0006	.0019	.0046	.0159	.0379	.0731	.1221
	\$250	.0000	.0001	.0006	.0020	.0046	.0151	.0336	.0615	.0998
	\$500	.0000	.0001	.0006	.0020	.0047	.0151	.0337	.0610	.0976
60	\$120	.0000	.0000	.0004	.0016	.0039	.0143	.0353	.0695	.1180
	\$250	.0000	.0000	.0004	.0016	.0039	.0133	.0304	.0571	.0944
	\$500	.0000	.0000	.0004	.0016	.0039	.0133	.0304	.0563	.0914
61	\$120	.0000	.0000	.0003	.0013	.0033	.0127	.0327	.0660	.1140
	\$250	.0000	.0000	.0003	.0013	.0033	.0115	.0274	.0529	.0891
	\$500	.0000	.0000	.0003	.0013	.0033	.0116	.0273	.0517	.0854
62	\$120	.0000	.0000	.0003	.0010	.0028	.0113	.0302	.0627	.1101
	\$250	.0000	.0000	.0003	.0010	.0027	.0100	.0246	.0488	.0840
	\$500	.0000	.0000	.0003	.0010	.0027	.0100	.0243	.0472	.0796
63	\$120	.0000	.0000	.0002	.0008	.0023	.0100	.0279	.0594	.1063
	\$250	.0000	.0000	.0002	.0008	.0022	.0085	.0220	.0449	.0790
	\$500	.0000	.0000	.0002	.0008	.0022	.0085	.0215	.0429	.0739
64	\$120	.0000	.0000	.0001	.0006	.0019	.0088	.0257	.0563	.1026
	\$250	.0000	.0000	.0001	.0006	.0017	.0072	.0195	.0412	.0742
	\$500	.0000	.0000	.0001	.0006	.0017	.0072	.0189	.0388	.0684
	\$1,000	.0000	.0000	.0001	.0006	.0017	.0072	.0189	.0388	.0683
65	\$120	.0000	.0000	.0001	.0005	.0015	.0077	.0236	.0533	.0990
	\$250	.0000	.0000	.0001	.0005	.0014	.0061	.0172	.0377	.0695
	\$500	.0000	.0000	.0001	.0005	.0014	.0060	.0164	.0349	.0631
	\$1,000	.0000	.0000	.0001	.0005	.0014	.0060	.0164	.0348	.0629
66	\$120	.0000	.0000	.0001	.0004	.0012	.0067	.0216	.0504	.0956
	\$250	.0000	.0000	.0001	.0003	.0010	.0050	.0151	.0343	.0650
	\$500	.0000	.0000	.0001	.0003	.0010	.0049	.0141	.0311	.0579
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0049	.0141	.0311	.0576
67	\$120	.0000	.0000	.0000	.0003	.0010	.0058	.0197	.0476	.0922
	\$250	.0000	.0000	.0000	.0002	.0008	.0041	.0131	.0311	.0607
	\$500	.0000	.0000	.0000	.0002	.0008	.0039	.0120	.0276	.0530
	\$1,000	.0000	.0000	.0000	.0002	.0008	.0039	.0120	.0275	.0525
68	\$120	.0000	.0000	.0000	.0002	.0007	.0050	.0180	.0450	.0890
	\$250	.0000	.0000	.0000	.0002	.0006	.0033	.0113	.0281	.0565
	\$500	.0000	.0000	.0000	.0002	.0006	.0031	.0101	.0243	.0482
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0031	.0100	.0241	.0476
69	\$120	.0000	.0000	.0000	.0001	.0006	.0043	.0164	.0424	.0859
	\$250	.0000	.0000	.0000	.0001	.0004	.0026	.0097	.0252	.0525
	\$500	.0000	.0000	.0000	.0001	.0004	.0024	.0083	.0212	.0437
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0209	.0429
70	\$120	.0000	.0000	.0000	.0001	.0004	.0036	.0149	.0400	.0830
	\$250	.0000	.0000	.0000	.0001	.0003	.0020	.0082	.0225	.0487
	\$500	.0000	.0000	.0000	.0001	.0002	.0018	.0067	.0182	.0393

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0017	.0066	.0179	.0384
71	\$120	.0000	.0000	.0000	.0001	.0003	.0031	.0134	.0377	.0801
	\$250	.0000	.0000	.0000	.0000	.0002	.0015	.0068	.0199	.0449
	\$500	.0000	.0000	.0000	.0000	.0001	.0012	.0053	.0155	.0351
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0012	.0052	.0150	.0339
72	\$120	.0000	.0000	.0000	.0000	.0002	.0026	.0121	.0355	.0774
	\$250	.0000	.0000	.0000	.0000	.0001	.0011	.0056	.0176	.0415
	\$500	.0000	.0000	.0000	.0000	.0001	.0009	.0041	.0130	.0312
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0008	.0040	.0125	.0299
73	\$120	.0000	.0000	.0000	.0000	.0002	.0022	.0110	.0336	.0750
	\$250	.0000	.0000	.0000	.0000	.0001	.0008	.0046	.0156	.0383
	\$500	.0000	.0000	.0000	.0000	.0000	.0006	.0031	.0109	.0276
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0103	.0261
74	\$120	.0000	.0000	.0000	.0000	.0001	.0019	.0103	.0324	.0734
	\$250	.0000	.0000	.0000	.0000	.0000	.0007	.0040	.0143	.0364
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0026	.0096	.0254
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0089	.0238

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-950 Hazard Group 5 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 5  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8774	.8618	.8479	.8353	.8235	.8126	.8023	.7925	.7832	.7744	.7658	.7576	.7498	.7421
2	.8725	.8559	.8411	.8276	.8151	.8035	.7925	.7821	.7723	.7628	.7538	.7451	.7367	.7286
3	.8676	.8500	.8343	.8200	.8068	.7944	.7828	.7718	.7613	.7513	.7418	.7326	.7237	.7151
4	.8628	.8442	.8275	.8124	.7984	.7853	.7730	.7614	.7503	.7398	.7297	.7200	.7106	.7016
5	.8580	.8383	.8207	.8047	.7900	.7762	.7633	.7510	.7394	.7283	.7176	.7074	.6976	.6881
6	.8532	.8325	.8140	.7972	.7816	.7671	.7535	.7406	.7284	.7167	.7056	.6949	.6845	.6746
7	.8484	.8267	.8073	.7896	.7733	.7581	.7438	.7303	.7175	.7053	.6936	.6824	.6716	.6612
8	.8437	.8209	.8006	.7821	.7650	.7491	.7341	.7200	.7066	.6938	.6816	.6699	.6587	.6478
9	.8391	.8152	.7939	.7746	.7567	.7401	.7245	.7097	.6958	.6824	.6697	.6575	.6458	.6345
10	.8344	.8095	.7873	.7671	.7485	.7311	.7149	.6995	.6849	.6710	.6578	.6451	.6329	.6213
11	.8298	.8039	.7807	.7597	.7403	.7222	.7052	.6892	.6741	.6597	.6459	.6328	.6202	.6081
12	.8253	.7982	.7741	.7522	.7320	.7132	.6956	.6790	.6633	.6484	.6341	.6205	.6074	.5949
13	.8207	.7926	.7676	.7448	.7238	.7043	.6860	.6688	.6525	.6370	.6223	.6082	.5947	.5818
14	.8162	.7870	.7610	.7374	.7156	.6954	.6764	.6586	.6417	.6257	.6105	.5960	.5821	.5688
15	.8117	.7814	.7545	.7300	.7074	.6864	.6668	.6484	.6310	.6145	.5987	.5838	.5695	.5557
16	.8072	.7759	.7479	.7226	.6992	.6775	.6573	.6382	.6202	.6032	.5870	.5716	.5569	.5428
17	.8028	.7703	.7414	.7152	.6910	.6686	.6477	.6280	.6095	.5920	.5753	.5595	.5444	.5299
18	.7983	.7648	.7349	.7078	.6828	.6597	.6381	.6179	.5988	.5807	.5636	.5474	.5319	.5171
19	.7939	.7593	.7284	.7004	.6746	.6508	.6285	.6077	.5881	.5695	.5520	.5353	.5194	.5043
20	.7895	.7538	.7219	.6930	.6664	.6418	.6190	.5975	.5774	.5584	.5404	.5233	.5071	.4916

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
21	.7851	.7482	.7154	.6855	.6582	.6329	.6094	.5873	.5667	.5472	.5287	.5113	.4947	.4789
22	.7808	.7427	.7088	.6781	.6500	.6239	.5998	.5772	.5559	.5360	.5171	.4993	.4823	.4662
23	.7764	.7372	.7023	.6707	.6417	.6150	.5902	.5670	.5453	.5248	.5055	.4873	.4700	.4536
24	.7721	.7317	.6958	.6633	.6335	.6060	.5805	.5568	.5345	.5136	.4939	.4753	.4577	.4410
25	.7678	.7263	.6893	.6558	.6252	.5970	.5709	.5466	.5238	.5025	.4824	.4634	.4455	.4284
26	.7635	.7208	.6827	.6483	.6169	.5880	.5613	.5364	.5131	.4913	.4708	.4515	.4332	.4159
27	.7592	.7153	.6762	.6409	.6087	.5790	.5516	.5261	.5024	.4801	.4592	.4395	.4210	.4034
28	.7549	.7098	.6696	.6334	.6003	.5700	.5419	.5159	.4916	.4689	.4476	.4276	.4087	.3909
29	.7507	.7043	.6631	.6259	.5920	.5609	.5322	.5057	.4809	.4578	.4361	.4157	.3965	.3784
30	.7465	.6989	.6565	.6184	.5837	.5519	.5225	.4954	.4701	.4465	.4245	.4038	.3842	.3658
31	.7423	.6934	.6500	.6109	.5753	.5428	.5128	.4851	.4594	.4354	.4129	.3918	.3720	.3533
32	.7381	.6880	.6434	.6034	.5670	.5337	.5031	.4748	.4485	.4241	.4013	.3799	.3597	.3408
33	.7339	.6825	.6369	.5958	.5586	.5245	.4933	.4644	.4377	.4128	.3896	.3679	.3475	.3283
34	.7297	.6771	.6303	.5883	.5501	.5154	.4835	.4541	.4268	.4015	.3779	.3558	.3351	.3157
35	.7256	.6717	.6237	.5807	.5417	.5062	.4736	.4436	.4159	.3902	.3662	.3438	.3228	.3031
36	.7215	.6662	.6171	.5731	.5332	.4969	.4637	.4331	.4049	.3787	.3543	.3316	.3103	.2905
37	.7174	.6608	.6106	.5655	.5247	.4876	.4537	.4226	.3938	.3672	.3425	.3194	.2980	.2779
38	.7134	.6554	.6040	.5578	.5162	.4783	.4437	.4120	.3827	.3557	.3305	.3072	.2856	.2655
39	.7094	.6501	.5974	.5502	.5077	.4690	.4337	.4014	.3716	.3441	.3187	.2951	.2733	.2531
40	.7055	.6448	.5909	.5427	.4992	.4597	.4237	.3908	.3605	.3326	.3068	.2831	.2612	.2410
41	.7017	.6396	.5844	.5351	.4907	.4504	.4137	.3802	.3494	.3211	.2951	.2712	.2492	.2290
42	.6979	.6344	.5781	.5276	.4823	.4412	.4038	.3696	.3384	.3098	.2835	.2595	.2375	.2173
43	.6942	.6293	.5717	.5202	.4739	.4319	.3938	.3591	.3274	.2985	.2721	.2480	.2259	.2058
44	.6906	.6243	.5655	.5129	.4655	.4228	.3840	.3487	.3166	.2874	.2608	.2366	.2146	.1946
45	.6871	.6194	.5593	.5056	.4572	.4136	.3741	.3383	.3059	.2764	.2497	.2255	.2035	.1836
46	.6837	.6146	.5532	.4983	.4490	.4045	.3644	.3281	.2953	.2656	.2388	.2146	.1927	.1730
47	.6803	.6099	.5472	.4911	.4408	.3955	.3547	.3179	.2847	.2549	.2280	.2038	.1821	.1626
48	.6771	.6052	.5412	.4839	.4326	.3865	.3450	.3078	.2743	.2443	.2174	.1933	.1718	.1525
49	.6739	.6006	.5353	.4768	.4245	.3775	.3354	.2977	.2640	.2339	.2070	.1830	.1617	.1427
50	.6709	.5961	.5294	.4697	.4164	.3686	.3259	.2878	.2538	.2236	.1968	.1730	.1519	.1332
51	.6679	.5917	.5236	.4627	.4083	.3597	.3164	.2779	.2438	.2135	.1867	.1631	.1423	.1240
52	.6650	.5874	.5179	.4558	.4003	.3509	.3071	.2682	.2338	.2035	.1769	.1535	.1330	.1151
53	.6622	.5831	.5122	.4489	.3924	.3422	.2977	.2585	.2240	.1937	.1672	.1441	.1240	.1065
54	.6596	.5790	.5067	.4420	.3845	.3335	.2885	.2490	.2143	.1841	.1578	.1350	.1152	.0982
55	.6570	.5749	.5012	.4353	.3767	.3249	.2794	.2395	.2048	.1746	.1485	.1261	.1068	.0902
56	.6545	.5710	.4958	.4286	.3689	.3164	.2703	.2302	.1954	.1653	.1395	.1174	.0985	.0825
57	.6521	.5671	.4905	.4220	.3613	.3079	.2613	.2209	.1861	.1562	.1307	.1090	.0906	.0752
58	.6499	.5634	.4853	.4155	.3537	.2995	.2525	.2118	.1769	.1472	.1221	.1008	.0830	.0682
59	.6477	.5598	.4802	.4090	.3462	.2913	.2437	.2028	.1680	.1385	.1137	.0930	.0757	.0615
60	.6457	.5563	.4752	.4028	.3388	.2831	.2350	.1939	.1591	.1299	.1055	.0854	.0687	.0551
61	.6438	.5530	.4704	.3966	.3315	.2750	.2264	.1852	.1505	.1215	.0976	.0780	.0621	.0491
62	.6421	.5498	.4658	.3906	.3244	.2670	.2180	.1765	.1420	.1134	.0900	.0710	.0557	.0435
63	.6404	.5468	.4613	.3847	.3173	.2591	.2096	.1681	.1336	.1055	.0826	.0643	.0498	.0383
64	.6389	.5440	.4569	.3789	.3104	.2514	.2014	.1597	.1255	.0978	.0755	.0579	.0441	.0334
65	.6376	.5413	.4528	.3733	.3036	.2437	.1933	.1515	.1176	.0903	.0687	.0519	.0389	.0289
66	.6364	.5389	.4488	.3679	.2969	.2362	.1853	.1435	.1098	.0831	.0623	.0462	.0340	.0248
67	.6353	.5366	.4451	.3626	.2904	.2288	.1775	.1357	.1023	.0762	.0561	.0408	.0295	.0210
68	.6344	.5345	.4415	.3576	.2841	.2215	.1698	.1280	.0950	.0696	.0503	.0359	.0253	.0177
69	.6335	.5326	.4381	.3527	.2778	.2144	.1622	.1205	.0880	.0632	.0447	.0313	.0216	.0147
70	.6329	.5308	.4350	.3480	.2718	.2074	.1548	.1132	.0812	.0572	.0396	.0270	.0182	.0121
71	.6323	.5293	.4320	.3433	.2657	.2003	.1474	.1059	.0744	.0513	.0347	.0231	.0151	.0097
72	.6319	.5280	.4293	.3391	.2601	.1937	.1404	.0991	.0683	.0460	.0303	.0196	.0125	.0078
73	.6315	.5269	.4270	.3352	.2548	.1875	.1338	.0928	.0626	.0412	.0265	.0167	.0103	.0063
74	.6314	.5263	.4256	.3328	.2514	.1835	.1296	.0888	.0591	.0383	.0242	.0150	.0091	.0054

## Premium-Based Plan, with no Single Loss Limit

**Insurance Savings Table**  
**Hazard Group 5**  
**Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0355	.0738	.1148	.1576	.2464	.3378	.4309	.5253
2	.0000	.0340	.0713	.1116	.1538	.2415	.3319	.4241	.5176
3	.0000	.0325	.0689	.1085	.1501	.2366	.3260	.4173	.5100
4	.0000	.0310	.0665	.1055	.1464	.2318	.3202	.4105	.5024
5	.0000	.0295	.0642	.1025	.1428	.2270	.3143	.4037	.4947
6	.0000	.0281	.0620	.0996	.1392	.2222	.3085	.3970	.4872
7	.0000	.0268	.0599	.0967	.1356	.2174	.3027	.3903	.4796
8	.0000	.0255	.0578	.0939	.1321	.2127	.2969	.3836	.4721
9	.0000	.0243	.0558	.0911	.1287	.2081	.2912	.3769	.4646
10	.0000	.0231	.0538	.0884	.1253	.2034	.2855	.3703	.4571
11	.0000	.0220	.0519	.0857	.1219	.1988	.2799	.3637	.4497
12	.0000	.0209	.0500	.0830	.1185	.1943	.2742	.3571	.4422
13	.0000	.0199	.0481	.0804	.1152	.1897	.2686	.3506	.4348
14	.0000	.0189	.0463	.0778	.1119	.1852	.2630	.3440	.4274
15	.0000	.0179	.0445	.0752	.1087	.1807	.2574	.3375	.4200
16	.0000	.0170	.0427	.0727	.1054	.1762	.2519	.3309	.4126
17	.0000	.0161	.0410	.0702	.1022	.1718	.2463	.3244	.4052
18	.0000	.0152	.0393	.0678	.0991	.1673	.2408	.3179	.3978
19	.0000	.0144	.0376	.0653	.0959	.1629	.2353	.3114	.3904
20	.0000	.0136	.0360	.0629	.0928	.1585	.2298	.3049	.3830
21	.0000	.0128	.0344	.0605	.0897	.1541	.2242	.2984	.3755
22	.0000	.0120	.0328	.0582	.0866	.1498	.2187	.2918	.3681
23	.0000	.0113	.0313	.0559	.0836	.1454	.2132	.2853	.3607
24	.0000	.0106	.0298	.0536	.0806	.1411	.2077	.2788	.3533
25	.0000	.0099	.0283	.0513	.0776	.1368	.2023	.2723	.3458
26	.0000	.0093	.0268	.0491	.0747	.1325	.1968	.2657	.3383
27	.0000	.0086	.0254	.0469	.0717	.1282	.1913	.2592	.3309
28	.0000	.0080	.0240	.0448	.0688	.1239	.1858	.2526	.3234
29	.0000	.0074	.0227	.0427	.0660	.1197	.1803	.2461	.3159
30	.0000	.0069	.0214	.0406	.0631	.1155	.1749	.2395	.3084
31	.0000	.0063	.0201	.0385	.0603	.1113	.1694	.2330	.3009
32	.0000	.0058	.0188	.0365	.0575	.1071	.1640	.2264	.2934
33	.0000	.0053	.0176	.0345	.0548	.1029	.1585	.2199	.2858
34	.0000	.0049	.0164	.0326	.0521	.0987	.1531	.2133	.2783
35	.0000	.0044	.0153	.0307	.0494	.0946	.1477	.2067	.2707
36	.0000	.0040	.0142	.0288	.0468	.0905	.1422	.2001	.2631
37	.0000	.0036	.0131	.0270	.0442	.0864	.1368	.1936	.2555
38	.0000	.0033	.0121	.0252	.0416	.0824	.1314	.1870	.2478
39	.0000	.0029	.0111	.0235	.0392	.0784	.1261	.1804	.2402
40	.0000	.0026	.0102	.0218	.0367	.0745	.1208	.1739	.2327
41	.0000	.0023	.0093	.0202	.0344	.0707	.1156	.1674	.2251
42	.0000	.0021	.0085	.0187	.0321	.0669	.1104	.1611	.2176

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
43	.0000	.0018	.0077	.0172	.0299	.0632	.1053	.1547	.2102
44	.0000	.0016	.0069	.0158	.0278	.0596	.1003	.1485	.2029
45	.0000	.0014	.0062	.0145	.0257	.0561	.0954	.1423	.1956
46	.0000	.0012	.0056	.0132	.0238	.0527	.0906	.1362	.1883
47	.0000	.0010	.0050	.0120	.0219	.0493	.0859	.1302	.1811
48	.0000	.0009	.0044	.0109	.0201	.0461	.0812	.1242	.1739
49	.0000	.0008	.0039	.0098	.0183	.0429	.0766	.1183	.1668
50	.0000	.0006	.0034	.0088	.0167	.0399	.0721	.1124	.1597
51	.0000	.0005	.0030	.0078	.0151	.0369	.0677	.1066	.1527
52	.0000	.0004	.0026	.0069	.0136	.0340	.0634	.1009	.1458
53	.0000	.0004	.0022	.0061	.0122	.0312	.0591	.0952	.1389
54	.0000	.0003	.0019	.0053	.0109	.0286	.0550	.0897	.1320
55	.0000	.0002	.0016	.0046	.0096	.0260	.0509	.0842	.1253
56	.0000	.0002	.0013	.0040	.0085	.0235	.0470	.0788	.1186
57	.0000	.0002	.0011	.0034	.0074	.0211	.0431	.0735	.1120
58	.0000	.0001	.0009	.0029	.0064	.0189	.0394	.0683	.1055
59	.0000	.0001	.0007	.0024	.0055	.0167	.0358	.0632	.0990
60	.0000	.0001	.0006	.0020	.0046	.0147	.0323	.0582	.0928
61	.0000	.0000	.0004	.0016	.0039	.0128	.0290	.0534	.0866
62	.0000	.0000	.0003	.0013	.0032	.0111	.0258	.0488	.0806
63	.0000	.0000	.0003	.0010	.0026	.0094	.0228	.0443	.0747
64	.0000	.0000	.0002	.0008	.0021	.0079	.0200	.0399	.0689
65	.0000	.0000	.0001	.0006	.0016	.0066	.0173	.0358	.0633
66	.0000	.0000	.0001	.0004	.0012	.0054	.0149	.0318	.0579
67	.0000	.0000	.0001	.0003	.0009	.0043	.0126	.0281	.0526
68	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0245	.0476
69	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0211	.0427
70	.0000	.0000	.0000	.0001	.0003	.0019	.0068	.0180	.0380
71	.0000	.0000	.0000	.0000	.0002	.0013	.0053	.0150	.0333
72	.0000	.0000	.0000	.0000	.0001	.0009	.0040	.0123	.0291
73	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0100	.0252
74	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0086	.0228

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 5  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7051	.6442	.5901	.5417	.4979	.4599	.4289	.4034	.3822	.3645	.3495	.3368	.3262	.3177
41	\$120	.7013	.6390	.5836	.5341	.4897	.4526	.4223	.3972	.3764	.3589	.3442	.3319	.3220	.3140
42	\$120	.6975	.6338	.5772	.5266	.4823	.4459	.4160	.3912	.3706	.3534	.3390	.3274	.3182	.3107
43	\$120	.6938	.6287	.5709	.5193	.4755	.4395	.4099	.3854	.3650	.3481	.3344	.3234	.3147	.3077
44	\$120	.6902	.6238	.5647	.5125	.4691	.4334	.4040	.3797	.3595	.3431	.3301	.3197	.3114	.3049
45	\$120	.6867	.6189	.5585	.5062	.4630	.4275	.3983	.3741	.3543	.3386	.3261	.3162	.3084	.3023
46	\$120	.6833	.6140	.5525	.5003	.4572	.4218	.3926	.3687	.3495	.3343	.3224	.3130	.3056	.2999

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
47	\$120	.6800	.6093	.5470	.4947	.4516	.4161	.3870	.3635	.3449	.3303	.3189	.3099	.3030	.2978
48	\$120	.6767	.6046	.5417	.4893	.4461	.4106	.3817	.3587	.3406	.3265	.3155	.3071	.3007	.2959
49	\$120	.6736	.6001	.5367	.4840	.4406	.4051	.3766	.3541	.3365	.3229	.3124	.3045	.2986	.2941
50	\$120	.6705	.5958	.5320	.4789	.4353	.3998	.3717	.3497	.3326	.3195	.3096	.3022	.2966	.2925
	\$250	.6708	.5959	.5291	.4694	.4159	.3684	.3272	.2922	.2624	.2372	.2160	.1980	.1828	.1702
51	\$120	.6676	.5918	.5274	.4739	.4300	.3947	.3670	.3454	.3288	.3163	.3069	.3000	.2949	.2911
	\$250	.6678	.5915	.5234	.4624	.4079	.3601	.3192	.2844	.2550	.2301	.2092	.1916	.1770	.1650
52	\$120	.6647	.5880	.5230	.4690	.4249	.3898	.3624	.3413	.3253	.3133	.3044	.2979	.2932	.2899
	\$250	.6649	.5872	.5176	.4554	.4002	.3523	.3114	.2768	.2477	.2232	.2026	.1856	.1716	.1602
53	\$120	.6620	.5844	.5186	.4641	.4200	.3851	.3580	.3374	.3219	.3105	.3021	.2961	.2918	.2888
	\$250	.6621	.5830	.5120	.4485	.3927	.3447	.3039	.2695	.2406	.2164	.1963	.1799	.1665	.1557
54	\$120	.6594	.5809	.5144	.4594	.4152	.3805	.3538	.3337	.3188	.3079	.3000	.2944	.2905	.2878
	\$250	.6595	.5788	.5064	.4419	.3856	.3374	.2966	.2623	.2336	.2098	.1903	.1745	.1617	.1515
55	\$120	.6570	.5775	.5102	.4548	.4105	.3760	.3497	.3301	.3158	.3054	.2981	.2929	.2893	.2869
	\$250	.6569	.5748	.5009	.4354	.3787	.3303	.2894	.2552	.2268	.2035	.1846	.1694	.1572	.1475
56	\$120	.6547	.5743	.5061	.4503	.4059	.3717	.3458	.3267	.3129	.3031	.2963	.2915	.2883	.2861
	\$250	.6544	.5708	.4956	.4293	.3720	.3233	.2824	.2483	.2203	.1975	.1792	.1645	.1529	.1438
57	\$120	.6526	.5711	.5022	.4459	.4015	.3675	.3420	.3235	.3103	.3010	.2946	.2903	.2874	.2855
	\$250	.6520	.5670	.4905	.4233	.3655	.3165	.2754	.2416	.2140	.1917	.1740	.1599	.1490	.1404
58	\$120	.6506	.5681	.4983	.4416	.3972	.3634	.3384	.3204	.3078	.2990	.2931	.2892	.2866	.2849
	\$250	.6498	.5632	.4856	.4175	.3591	.3097	.2687	.2350	.2078	.1861	.1690	.1556	.1453	.1373
	\$500	.6498	.5633	.4852	.4153	.3536	.2994	.2524	.2122	.1780	.1493	.1252	.1052	.0887	.0751
59	\$120	.6488	.5652	.4946	.4375	.3930	.3594	.3349	.3175	.3054	.2972	.2917	.2882	.2858	.2844
	\$250	.6477	.5597	.4808	.4119	.3528	.3031	.2621	.2287	.2019	.1808	.1643	.1515	.1418	.1344
	\$500	.6477	.5597	.4801	.4089	.3461	.2912	.2439	.2036	.1696	.1412	.1176	.0982	.0824	.0695
60	\$120	.6470	.5624	.4910	.4334	.3889	.3556	.3316	.3148	.3032	.2955	.2905	.2873	.2852	.2839
	\$250	.6456	.5564	.4763	.4064	.3467	.2967	.2556	.2225	.1962	.1757	.1598	.1477	.1386	.1318
	\$500	.6457	.5563	.4752	.4026	.3387	.2832	.2355	.1952	.1614	.1334	.1103	.0915	.0764	.0642
61	\$120	.6454	.5597	.4875	.4295	.3849	.3519	.3284	.3122	.3012	.2940	.2894	.2865	.2847	.2836
	\$250	.6438	.5532	.4720	.4011	.3407	.2904	.2494	.2165	.1908	.1708	.1556	.1442	.1357	.1294
	\$500	.6438	.5530	.4704	.3965	.3315	.2753	.2273	.1870	.1534	.1258	.1033	.0852	.0707	.0592
62	\$120	.6438	.5571	.4841	.4256	.3810	.3484	.3254	.3097	.2993	.2926	.2884	.2858	.2842	.2833
	\$250	.6420	.5502	.4678	.3959	.3348	.2842	.2432	.2108	.1855	.1662	.1516	.1409	.1330	.1273
	\$500	.6420	.5498	.4657	.3905	.3245	.2676	.2193	.1789	.1456	.1185	.0966	.0791	.0654	.0546
63	\$120	.6424	.5547	.4808	.4219	.3773	.3450	.3225	.3074	.2976	.2914	.2875	.2852	.2838	.2830
	\$250	.6404	.5474	.4638	.3909	.3291	.2782	.2373	.2051	.1804	.1618	.1479	.1378	.1305	.1253
	\$500	.6404	.5468	.4612	.3847	.3176	.2600	.2114	.1710	.1380	.1114	.0901	.0734	.0604	.0503
64	\$120	.6411	.5524	.4776	.4183	.3736	.3417	.3197	.3052	.2960	.2902	.2867	.2847	.2835	.2828
	\$250	.6390	.5448	.4600	.3860	.3235	.2723	.2315	.1997	.1756	.1576	.1444	.1350	.1283	.1236
	\$500	.6389	.5440	.4569	.3790	.3109	.2526	.2037	.1634	.1306	.1045	.0840	.0680	.0557	.0464
	\$1,000	.6389	.5440	.4569	.3789	.3104	.2513	.2014	.1597	.1255	.0978	.0756	.0581	.0443	.0336
65	\$120	.6399	.5501	.4745	.4148	.3701	.3385	.3171	.3032	.2945	.2892	.2861	.2842	.2832	.2827
	\$250	.6377	.5424	.4563	.3812	.3181	.2666	.2259	.1945	.1710	.1537	.1412	.1324	.1263	.1221
	\$500	.6376	.5413	.4528	.3736	.3044	.2454	.1961	.1558	.1235	.0980	.0781	.0629	.0514	.0428
	\$1,000	.6376	.5413	.4528	.3733	.3036	.2437	.1933	.1515	.1176	.0904	.0689	.0521	.0391	.0292
66	\$120	.6388	.5480	.4716	.4114	.3667	.3355	.3147	.3013	.2931	.2883	.2855	.2839	.2830	.2825
	\$250	.6366	.5401	.4528	.3767	.3128	.2610	.2204	.1895	.1666	.1500	.1382	.1300	.1245	.1207
	\$500	.6364	.5388	.4489	.3683	.2980	.2383	.1887	.1485	.1166	.0917	.0726	.0581	.0474	.0395
	\$1,000	.6364	.5388	.4488	.3679	.2969	.2362	.1853	.1436	.1099	.0832	.0624	.0464	.0343	.0251
67	\$120	.6377	.5461	.4688	.4081	.3635	.3326	.3123	.2996	.2919	.2875	.2849	.2835	.2828	.2824
	\$250	.6356	.5380	.4494	.3722	.3076	.2556	.2151	.1847	.1624	.1465	.1354	.1279	.1229	.1196
	\$500	.6353	.5366	.4452	.3632	.2918	.2313	.1815	.1414	.1099	.0856	.0673	.0537	.0438	.0366
	\$1,000	.6353	.5366	.4451	.3626	.2904	.2288	.1775	.1357	.1024	.0764	.0563	.0411	.0298	.0214

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
68	\$120	.6368	.5442	.4660	.4049	.3603	.3299	.3102	.2980	.2908	.2867	.2845	.2833	.2826	.2823
	\$250	.6347	.5361	.4463	.3680	.3026	.2503	.2100	.1800	.1584	.1433	.1329	.1260	.1215	.1186
	\$500	.6344	.5345	.4418	.3583	.2857	.2245	.1744	.1345	.1035	.0799	.0624	.0496	.0405	.0340
	\$1,000	.6344	.5345	.4415	.3576	.2841	.2216	.1698	.1281	.0952	.0698	.0505	.0362	.0257	.0182
69	\$120	.6360	.5424	.4634	.4018	.3573	.3272	.3081	.2965	.2898	.2861	.2841	.2830	.2825	.2822
	\$250	.6339	.5343	.4433	.3639	.2978	.2452	.2051	.1756	.1547	.1403	.1306	.1243	.1203	.1177
	\$500	.6335	.5326	.4385	.3536	.2798	.2179	.1675	.1277	.0972	.0744	.0578	.0459	.0375	.0317
	\$1,000	.6335	.5326	.4381	.3527	.2778	.2144	.1623	.1206	.0882	.0635	.0451	.0317	.0220	.0152
70	\$120	.6353	.5408	.4609	.3989	.3544	.3248	.3062	.2952	.2889	.2855	.2838	.2829	.2824	.2822
	\$250	.6332	.5327	.4405	.3599	.2931	.2402	.2003	.1714	.1512	.1375	.1285	.1228	.1192	.1170
	\$500	.6329	.5310	.4355	.3491	.2741	.2114	.1607	.1212	.0913	.0693	.0535	.0424	.0348	.0297
	\$1,000	.6329	.5308	.4350	.3480	.2718	.2074	.1549	.1134	.0814	.0575	.0400	.0275	.0187	.0127
71	\$120	.6346	.5392	.4585	.3960	.3516	.3224	.3044	.2939	.2881	.2850	.2835	.2827	.2823	.2822
	\$250	.6327	.5312	.4378	.3560	.2884	.2353	.1957	.1673	.1478	.1349	.1266	.1214	.1183	.1164
	\$500	.6323	.5295	.4326	.3447	.2684	.2049	.1540	.1148	.0855	.0643	.0495	.0392	.0324	.0279
	\$1,000	.6323	.5293	.4320	.3434	.2658	.2004	.1475	.1061	.0748	.0517	.0352	.0236	.0157	.0104
72	\$120	.6340	.5378	.4562	.3933	.3490	.3202	.3027	.2928	.2874	.2846	.2832	.2826	.2823	.2821
	\$250	.6322	.5300	.4353	.3525	.2841	.2308	.1914	.1636	.1448	.1326	.1250	.1203	.1175	.1159
	\$500	.6319	.5282	.4300	.3407	.2632	.1988	.1477	.1088	.0802	.0599	.0459	.0365	.0304	.0265
	\$1,000	.6319	.5280	.4293	.3391	.2601	.1939	.1406	.0994	.0687	.0465	.0309	.0203	.0132	.0085
73	\$120	.6335	.5365	.4542	.3909	.3466	.3182	.3013	.2918	.2868	.2843	.2830	.2825	.2822	.2821
	\$250	.6319	.5289	.4332	.3492	.2801	.2266	.1874	.1602	.1422	.1306	.1236	.1193	.1169	.1155
	\$500	.6316	.5271	.4278	.3371	.2583	.1931	.1419	.1033	.0754	.0559	.0428	.0342	.0287	.0253
	\$1,000	.6315	.5269	.4270	.3353	.2549	.1877	.1341	.0932	.0631	.0418	.0271	.0174	.0111	.0070
74	\$120	.6333	.5358	.4529	.3893	.3452	.3170	.3004	.2913	.2865	.2841	.2829	.2824	.2822	.2821
	\$250	.6317	.5282	.4318	.3472	.2776	.2239	.1850	.1581	.1405	.1294	.1227	.1188	.1166	.1153
	\$500	.6314	.5265	.4264	.3348	.2552	.1895	.1382	.0998	.0724	.0535	.0409	.0328	.0277	.0246
	\$1,000	.6314	.5263	.4256	.3329	.2515	.1837	.1300	.0892	.0596	.0389	.0249	.0157	.0098	.0062

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 5  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0026	.0101	.0217	.0365	.0741	.1202	.1731	.2317
41	\$120	.0000	.0023	.0092	.0201	.0342	.0703	.1150	.1666	.2241
42	\$120	.0000	.0020	.0084	.0185	.0319	.0665	.1098	.1602	.2166
43	\$120	.0000	.0018	.0076	.0171	.0297	.0628	.1047	.1539	.2093
44	\$120	.0000	.0016	.0069	.0157	.0276	.0592	.0998	.1477	.2025
45	\$120	.0000	.0014	.0062	.0144	.0255	.0557	.0949	.1415	.1962
46	\$120	.0000	.0012	.0055	.0131	.0236	.0523	.0900	.1355	.1903
47	\$120	.0000	.0010	.0049	.0119	.0217	.0490	.0853	.1300	.1847
48	\$120	.0000	.0009	.0044	.0108	.0199	.0457	.0806	.1247	.1793
49	\$120	.0000	.0007	.0039	.0097	.0182	.0426	.0761	.1197	.1740
50	\$120	.0000	.0006	.0034	.0087	.0165	.0395	.0718	.1150	.1689

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0006	.0034	.0087	.0166	.0398	.0719	.1121	.1594
51	\$120	.0000	.0005	.0030	.0077	.0150	.0366	.0678	.1104	.1639
	\$250	.0000	.0005	.0030	.0078	.0151	.0368	.0675	.1064	.1524
52	\$120	.0000	.0004	.0026	.0069	.0135	.0337	.0640	.1060	.1590
	\$250	.0000	.0004	.0026	.0069	.0136	.0339	.0632	.1006	.1454
53	\$120	.0000	.0004	.0022	.0060	.0121	.0310	.0604	.1016	.1541
	\$250	.0000	.0004	.0022	.0061	.0122	.0311	.0590	.0950	.1385
54	\$120	.0000	.0003	.0019	.0053	.0108	.0284	.0569	.0974	.1494
	\$250	.0000	.0003	.0019	.0053	.0108	.0285	.0548	.0894	.1319
55	\$120	.0000	.0002	.0016	.0046	.0095	.0260	.0535	.0932	.1448
	\$250	.0000	.0002	.0016	.0046	.0096	.0259	.0508	.0839	.1254
56	\$120	.0000	.0002	.0013	.0039	.0084	.0237	.0503	.0891	.1403
	\$250	.0000	.0002	.0013	.0040	.0084	.0234	.0468	.0786	.1193
57	\$120	.0000	.0001	.0011	.0034	.0073	.0216	.0471	.0852	.1359
	\$250	.0000	.0002	.0011	.0034	.0073	.0210	.0430	.0735	.1133
58	\$120	.0000	.0001	.0009	.0028	.0063	.0196	.0441	.0813	.1316
	\$250	.0000	.0001	.0009	.0029	.0063	.0188	.0392	.0686	.1075
	\$500	.0000	.0001	.0009	.0029	.0064	.0188	.0393	.0682	.1053
59	\$120	.0000	.0001	.0007	.0024	.0054	.0178	.0412	.0776	.1275
	\$250	.0000	.0001	.0007	.0024	.0054	.0167	.0357	.0638	.1019
	\$500	.0000	.0001	.0007	.0024	.0054	.0167	.0357	.0631	.0989
60	\$120	.0000	.0001	.0006	.0019	.0046	.0160	.0384	.0740	.1234
	\$250	.0000	.0001	.0006	.0020	.0046	.0146	.0324	.0593	.0964
	\$500	.0000	.0001	.0006	.0020	.0046	.0147	.0323	.0582	.0926
61	\$120	.0000	.0000	.0004	.0016	.0039	.0144	.0357	.0705	.1195
	\$250	.0000	.0000	.0004	.0016	.0038	.0128	.0292	.0550	.0911
	\$500	.0000	.0000	.0004	.0016	.0039	.0128	.0290	.0534	.0865
62	\$120	.0000	.0000	.0003	.0013	.0033	.0128	.0331	.0671	.1156
	\$250	.0000	.0000	.0003	.0013	.0032	.0110	.0262	.0508	.0859
	\$500	.0000	.0000	.0003	.0013	.0032	.0110	.0258	.0487	.0805
63	\$120	.0000	.0000	.0003	.0010	.0027	.0114	.0307	.0638	.1119
	\$250	.0000	.0000	.0003	.0010	.0026	.0094	.0234	.0468	.0809
	\$500	.0000	.0000	.0003	.0010	.0026	.0094	.0228	.0442	.0747
64	\$120	.0000	.0000	.0002	.0008	.0022	.0101	.0284	.0606	.1083
	\$250	.0000	.0000	.0002	.0008	.0020	.0080	.0208	.0430	.0760
	\$500	.0000	.0000	.0002	.0008	.0021	.0079	.0200	.0399	.0690
	\$1,000	.0000	.0000	.0002	.0008	.0021	.0079	.0200	.0399	.0689
65	\$120	.0000	.0000	.0001	.0006	.0018	.0089	.0261	.0575	.1048
	\$250	.0000	.0000	.0001	.0006	.0016	.0067	.0184	.0393	.0712
	\$500	.0000	.0000	.0001	.0006	.0016	.0066	.0173	.0358	.0636
	\$1,000	.0000	.0000	.0001	.0006	.0016	.0066	.0173	.0358	.0633
66	\$120	.0000	.0000	.0001	.0005	.0015	.0078	.0240	.0546	.1014
	\$250	.0000	.0000	.0001	.0004	.0012	.0056	.0161	.0358	.0667
	\$500	.0000	.0000	.0001	.0004	.0012	.0054	.0148	.0319	.0583

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0000	.0001	.0004	.0012	.0054	.0148	.0318	.0579
67	\$120	.0000	.0000	.0001	.0003	.0012	.0067	.0221	.0518	.0981
	\$250	.0000	.0000	.0001	.0003	.0009	.0046	.0140	.0324	.0622
	\$500	.0000	.0000	.0001	.0003	.0009	.0043	.0126	.0282	.0532
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0043	.0126	.0281	.0526
68	\$120	.0000	.0000	.0000	.0002	.0009	.0058	.0202	.0490	.0949
	\$250	.0000	.0000	.0000	.0002	.0007	.0037	.0121	.0293	.0580
	\$500	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0248	.0483
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0034	.0105	.0245	.0476
69	\$120	.0000	.0000	.0000	.0002	.0007	.0050	.0184	.0464	.0918
	\$250	.0000	.0000	.0000	.0001	.0005	.0029	.0103	.0263	.0539
	\$500	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0215	.0436
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0211	.0427
70	\$120	.0000	.0000	.0000	.0001	.0005	.0043	.0168	.0439	.0889
	\$250	.0000	.0000	.0000	.0001	.0003	.0022	.0087	.0235	.0499
	\$500	.0000	.0000	.0000	.0001	.0003	.0019	.0070	.0185	.0391
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0019	.0068	.0180	.0380
71	\$120	.0000	.0000	.0000	.0001	.0004	.0036	.0152	.0415	.0860
	\$250	.0000	.0000	.0000	.0000	.0002	.0017	.0072	.0208	.0460
	\$500	.0000	.0000	.0000	.0000	.0002	.0013	.0055	.0156	.0347
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0013	.0053	.0150	.0334
72	\$120	.0000	.0000	.0000	.0000	.0003	.0030	.0138	.0392	.0833
	\$250	.0000	.0000	.0000	.0000	.0001	.0012	.0060	.0183	.0425
	\$500	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0130	.0307
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0040	.0123	.0291
73	\$120	.0000	.0000	.0000	.0000	.0002	.0025	.0125	.0372	.0809
	\$250	.0000	.0000	.0000	.0000	.0001	.0009	.0049	.0162	.0392
	\$500	.0000	.0000	.0000	.0000	.0000	.0006	.0031	.0108	.0271
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0100	.0253
74	\$120	.0000	.0000	.0000	.0000	.0002	.0023	.0118	.0359	.0793
	\$250	.0000	.0000	.0000	.0000	.0000	.0007	.0042	.0148	.0372
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0094	.0248
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0086	.0229

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 5  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9216	.9053	.8907	.8774	.8651	.8536	.8427	.8325	.8227	.8134	.8045	.7959	.7876	.7795
2	.9165	.8991	.8835	.8693	.8562	.8440	.8325	.8216	.8112	.8013	.7918	.7826	.7738	.7653
3	.9114	.8929	.8764	.8614	.8474	.8345	.8223	.8107	.7997	.7892	.7792	.7695	.7602	.7512
4	.9063	.8867	.8692	.8533	.8386	.8249	.8120	.7998	.7882	.7771	.7665	.7563	.7464	.7370

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
5	.9012	.8806	.8621	.8453	.8298	.8153	.8017	.7889	.7766	.7650	.7538	.7431	.7327	.7228
6	.8962	.8744	.8550	.8374	.8210	.8058	.7915	.7780	.7651	.7529	.7412	.7299	.7191	.7086
7	.8912	.8684	.8480	.8294	.8123	.7963	.7813	.7671	.7537	.7408	.7286	.7168	.7054	.6945
8	.8863	.8623	.8410	.8215	.8036	.7869	.7712	.7563	.7422	.7288	.7160	.7037	.6919	.6805
9	.8814	.8563	.8340	.8136	.7949	.7774	.7610	.7455	.7308	.7168	.7035	.6906	.6783	.6665
10	.8765	.8503	.8270	.8058	.7862	.7680	.7509	.7348	.7194	.7049	.6910	.6776	.6649	.6526
11	.8717	.8444	.8201	.7980	.7776	.7586	.7408	.7240	.7081	.6929	.6785	.6647	.6514	.6387
12	.8669	.8385	.8132	.7902	.7689	.7492	.7307	.7133	.6967	.6810	.6661	.6518	.6381	.6249
13	.8621	.8326	.8063	.7824	.7603	.7398	.7206	.7025	.6854	.6692	.6537	.6389	.6247	.6111
14	.8573	.8267	.7994	.7746	.7517	.7304	.7105	.6918	.6741	.6573	.6413	.6260	.6114	.5974
15	.8526	.8208	.7925	.7668	.7431	.7211	.7005	.6811	.6628	.6454	.6289	.6132	.5982	.5838
16	.8479	.8150	.7857	.7590	.7345	.7117	.6904	.6704	.6515	.6336	.6166	.6004	.5850	.5702
17	.8432	.8092	.7788	.7512	.7259	.7023	.6803	.6597	.6402	.6218	.6043	.5877	.5718	.5567
18	.8386	.8034	.7719	.7434	.7172	.6929	.6703	.6490	.6290	.6100	.5921	.5750	.5587	.5432
19	.8339	.7976	.7651	.7357	.7086	.6836	.6602	.6383	.6177	.5983	.5798	.5623	.5456	.5297
20	.8293	.7918	.7583	.7279	.7000	.6742	.6502	.6277	.6065	.5865	.5676	.5497	.5326	.5164
21	.8247	.7860	.7514	.7201	.6914	.6648	.6401	.6170	.5952	.5747	.5554	.5370	.5196	.5030
22	.8202	.7802	.7446	.7123	.6827	.6554	.6300	.6063	.5840	.5630	.5432	.5244	.5066	.4897
23	.8156	.7744	.7377	.7045	.6741	.6460	.6199	.5956	.5727	.5513	.5310	.5119	.4937	.4765
24	.8110	.7686	.7309	.6967	.6654	.6366	.6098	.5849	.5615	.5395	.5188	.4993	.4808	.4632
25	.8065	.7629	.7240	.6889	.6567	.6271	.5997	.5741	.5502	.5278	.5067	.4868	.4679	.4500
26	.8020	.7571	.7171	.6810	.6480	.6177	.5896	.5634	.5390	.5161	.4945	.4742	.4550	.4369
27	.7975	.7513	.7103	.6732	.6393	.6082	.5794	.5527	.5277	.5043	.4824	.4617	.4422	.4237
28	.7930	.7456	.7034	.6653	.6306	.5987	.5692	.5419	.5164	.4926	.4702	.4492	.4293	.4106
29	.7885	.7398	.6965	.6575	.6219	.5892	.5591	.5311	.5051	.4808	.4581	.4367	.4165	.3974
30	.7841	.7341	.6896	.6496	.6131	.5797	.5489	.5203	.4938	.4691	.4459	.4241	.4036	.3843
31	.7797	.7284	.6828	.6417	.6043	.5702	.5387	.5096	.4825	.4573	.4337	.4116	.3908	.3712
32	.7753	.7226	.6759	.6338	.5955	.5606	.5284	.4987	.4711	.4455	.4215	.3990	.3779	.3580
33	.7709	.7169	.6690	.6259	.5867	.5510	.5182	.4879	.4598	.4337	.4093	.3864	.3650	.3448
34	.7665	.7112	.6621	.6179	.5779	.5414	.5078	.4769	.4483	.4218	.3970	.3738	.3520	.3316
35	.7622	.7055	.6552	.6100	.5690	.5317	.4975	.4660	.4369	.4098	.3846	.3611	.3390	.3184
36	.7579	.6998	.6483	.6020	.5601	.5220	.4871	.4550	.4253	.3978	.3722	.3483	.3260	.3051
37	.7536	.6941	.6413	.5940	.5512	.5122	.4766	.4439	.4137	.3857	.3597	.3355	.3130	.2920
38	.7494	.6885	.6344	.5860	.5422	.5024	.4661	.4328	.4020	.3736	.3472	.3227	.3000	.2789
39	.7452	.6829	.6275	.5780	.5333	.4927	.4556	.4216	.3903	.3614	.3347	.3100	.2871	.2659
40	.7411	.6773	.6207	.5700	.5243	.4829	.4451	.4105	.3787	.3493	.3223	.2974	.2744	.2531
41	.7370	.6718	.6139	.5621	.5154	.4731	.4346	.3993	.3670	.3373	.3100	.2849	.2618	.2405
42	.7331	.6664	.6072	.5542	.5066	.4634	.4241	.3883	.3554	.3254	.2978	.2726	.2494	.2282
43	.7292	.6611	.6006	.5464	.4978	.4537	.4137	.3772	.3439	.3136	.2858	.2605	.2373	.2161
44	.7254	.6558	.5940	.5387	.4890	.4441	.4033	.3663	.3326	.3019	.2740	.2486	.2254	.2044
45	.7217	.6507	.5875	.5310	.4803	.4345	.3930	.3554	.3213	.2904	.2623	.2369	.2138	.1929
46	.7181	.6456	.5811	.5234	.4716	.4249	.3827	.3446	.3101	.2790	.2508	.2254	.2024	.1817
47	.7146	.6406	.5747	.5159	.4630	.4154	.3725	.3339	.2991	.2677	.2395	.2141	.1913	.1708
48	.7112	.6357	.5685	.5083	.4544	.4059	.3624	.3233	.2882	.2566	.2284	.2031	.1804	.1602
49	.7079	.6309	.5622	.5009	.4459	.3965	.3523	.3127	.2773	.2457	.2174	.1923	.1699	.1499
50	.7047	.6262	.5561	.4934	.4373	.3872	.3423	.3023	.2666	.2349	.2067	.1817	.1595	.1399
51	.7016	.6215	.5500	.4861	.4289	.3779	.3324	.2920	.2561	.2243	.1961	.1713	.1495	.1303
52	.6985	.6170	.5440	.4787	.4205	.3686	.3225	.2817	.2456	.2138	.1858	.1612	.1397	.1209
53	.6956	.6125	.5381	.4715	.4122	.3594	.3128	.2716	.2353	.2035	.1757	.1514	.1302	.1119
54	.6928	.6082	.5322	.4643	.4039	.3503	.3031	.2615	.2251	.1934	.1657	.1418	.1210	.1032
55	.6901	.6039	.5264	.4572	.3957	.3413	.2935	.2516	.2151	.1834	.1560	.1324	.1121	.0948
56	.6875	.5997	.5207	.4502	.3875	.3323	.2839	.2418	.2052	.1736	.1465	.1233	.1035	.0867
57	.6850	.5957	.5152	.4432	.3795	.3234	.2745	.2321	.1955	.1641	.1373	.1145	.0952	.0790
58	.6826	.5918	.5097	.4364	.3715	.3146	.2652	.2225	.1859	.1547	.1282	.1059	.0872	.0716
59	.6804	.5880	.5044	.4297	.3637	.3059	.2560	.2130	.1764	.1454	.1194	.0976	.0795	.0646

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
60	.6783	.5844	.4992	.4231	.3559	.2973	.2468	.2037	.1672	.1365	.1109	.0897	.0722	.0579
61	.6763	.5809	.4941	.4166	.3482	.2888	.2378	.1945	.1580	.1277	.1026	.0820	.0652	.0516
62	.6744	.5775	.4893	.4102	.3407	.2805	.2289	.1854	.1491	.1191	.0945	.0746	.0586	.0457
63	.6727	.5744	.4845	.4040	.3333	.2722	.2202	.1765	.1404	.1108	.0868	.0676	.0523	.0402
64	.6711	.5714	.4800	.3980	.3260	.2640	.2115	.1678	.1318	.1027	.0794	.0609	.0463	.0351
65	.6697	.5686	.4756	.3921	.3189	.2560	.2030	.1592	.1235	.0949	.0722	.0545	.0408	.0303
66	.6685	.5660	.4715	.3864	.3119	.2481	.1946	.1508	.1154	.0873	.0654	.0485	.0357	.0260
67	.6673	.5636	.4675	.3809	.3051	.2403	.1864	.1425	.1075	.0800	.0589	.0429	.0309	.0221
68	.6663	.5614	.4638	.3756	.2984	.2327	.1783	.1345	.0998	.0731	.0528	.0377	.0266	.0186
69	.6655	.5594	.4602	.3704	.2918	.2252	.1704	.1266	.0924	.0664	.0470	.0328	.0226	.0154
70	.6648	.5576	.4569	.3655	.2855	.2178	.1626	.1189	.0853	.0600	.0416	.0284	.0191	.0127
71	.6642	.5560	.4538	.3607	.2791	.2104	.1548	.1112	.0782	.0539	.0364	.0242	.0159	.0102
72	.6637	.5546	.4510	.3562	.2732	.2035	.1475	.1041	.0717	.0483	.0319	.0206	.0131	.0082
73	.6634	.5535	.4485	.3521	.2676	.1970	.1406	.0975	.0658	.0433	.0278	.0175	.0108	.0066
74	.6632	.5528	.4470	.3496	.2641	.1928	.1362	.0933	.0621	.0402	.0254	.0157	.0095	.0057

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 5  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0373	.0775	.1206	.1655	.2588	.3549	.4527	.5518	
2	.0000	.0357	.0749	.1172	.1615	.2537	.3486	.4455	.5437	
3	.0000	.0341	.0723	.1140	.1577	.2486	.3425	.4384	.5357	
4	.0000	.0325	.0699	.1108	.1538	.2435	.3363	.4312	.5277	
5	.0000	.0310	.0675	.1077	.1500	.2384	.3301	.4241	.5197	
6	.0000	.0296	.0652	.1046	.1462	.2334	.3240	.4170	.5117	
7	.0000	.0282	.0629	.1016	.1425	.2284	.3179	.4100	.5038	
8	.0000	.0268	.0607	.0986	.1388	.2235	.3119	.4029	.4959	
9	.0000	.0255	.0586	.0957	.1352	.2186	.3059	.3960	.4880	
10	.0000	.0243	.0565	.0928	.1316	.2137	.2999	.3890	.4802	
11	.0000	.0231	.0545	.0900	.1280	.2089	.2940	.3821	.4723	
12	.0000	.0220	.0525	.0872	.1245	.2040	.2881	.3751	.4645	
13	.0000	.0209	.0505	.0844	.1210	.1993	.2822	.3682	.4567	
14	.0000	.0199	.0486	.0817	.1176	.1945	.2763	.3614	.4489	
15	.0000	.0189	.0467	.0790	.1141	.1898	.2704	.3545	.4411	
16	.0000	.0179	.0449	.0764	.1107	.1851	.2646	.3476	.4334	
17	.0000	.0169	.0430	.0738	.1074	.1804	.2588	.3408	.4256	
18	.0000	.0160	.0413	.0712	.1040	.1758	.2529	.3339	.4178	
19	.0000	.0151	.0395	.0686	.1007	.1711	.2471	.3271	.4100	
20	.0000	.0143	.0378	.0661	.0975	.1665	.2413	.3202	.4023	
21	.0000	.0134	.0361	.0636	.0942	.1619	.2355	.3134	.3945	
22	.0000	.0126	.0345	.0611	.0910	.1573	.2298	.3066	.3867	
23	.0000	.0119	.0328	.0587	.0878	.1528	.2240	.2997	.3789	
24	.0000	.0111	.0313	.0563	.0847	.1482	.2182	.2929	.3711	
25	.0000	.0104	.0297	.0539	.0815	.1437	.2125	.2860	.3632	
26	.0000	.0097	.0282	.0516	.0784	.1392	.2067	.2791	.3554	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
27	.0000	.0091	.0267	.0493	.0753	.1347	.2009	.2723	.3476
28	.0000	.0084	.0252	.0470	.0723	.1302	.1952	.2654	.3397
29	.0000	.0078	.0238	.0448	.0693	.1257	.1894	.2585	.3318
30	.0000	.0072	.0224	.0426	.0663	.1213	.1837	.2516	.3239
31	.0000	.0067	.0211	.0405	.0634	.1169	.1780	.2447	.3161
32	.0000	.0061	.0198	.0383	.0604	.1125	.1722	.2378	.3081
33	.0000	.0056	.0185	.0363	.0576	.1081	.1665	.2310	.3002
34	.0000	.0051	.0173	.0342	.0547	.1037	.1608	.2241	.2923
35	.0000	.0047	.0161	.0322	.0519	.0994	.1551	.2172	.2843
36	.0000	.0042	.0149	.0302	.0491	.0951	.1494	.2102	.2763
37	.0000	.0038	.0138	.0283	.0464	.0908	.1437	.2033	.2683
38	.0000	.0034	.0127	.0265	.0437	.0866	.1381	.1964	.2603
39	.0000	.0031	.0117	.0247	.0411	.0824	.1324	.1895	.2523
40	.0000	.0028	.0107	.0229	.0386	.0783	.1269	.1827	.2444
41	.0000	.0024	.0098	.0212	.0361	.0742	.1214	.1759	.2365
42	.0000	.0022	.0089	.0196	.0337	.0703	.1160	.1692	.2286
43	.0000	.0019	.0081	.0181	.0314	.0664	.1106	.1625	.2208
44	.0000	.0017	.0073	.0166	.0292	.0626	.1054	.1560	.2131
45	.0000	.0015	.0066	.0152	.0270	.0589	.1002	.1495	.2054
46	.0000	.0013	.0059	.0139	.0250	.0553	.0952	.1431	.1978
47	.0000	.0011	.0052	.0126	.0230	.0518	.0902	.1367	.1902
48	.0000	.0009	.0047	.0114	.0211	.0484	.0853	.1304	.1827
49	.0000	.0008	.0041	.0103	.0193	.0451	.0805	.1242	.1752
50	.0000	.0007	.0036	.0092	.0175	.0419	.0758	.1181	.1678
51	.0000	.0006	.0031	.0082	.0159	.0388	.0711	.1120	.1604
52	.0000	.0005	.0027	.0073	.0143	.0357	.0666	.1060	.1531
53	.0000	.0004	.0023	.0064	.0128	.0328	.0621	.1000	.1459
54	.0000	.0003	.0020	.0056	.0114	.0300	.0577	.0942	.1387
55	.0000	.0003	.0017	.0049	.0101	.0273	.0535	.0884	.1316
56	.0000	.0002	.0014	.0042	.0089	.0247	.0493	.0827	.1245
57	.0000	.0002	.0012	.0036	.0078	.0222	.0453	.0772	.1176
58	.0000	.0001	.0009	.0030	.0067	.0198	.0414	.0717	.1108
59	.0000	.0001	.0008	.0025	.0057	.0176	.0376	.0664	.1040
60	.0000	.0001	.0006	.0021	.0049	.0154	.0339	.0612	.0974
61	.0000	.0001	.0005	.0017	.0041	.0135	.0305	.0561	.0910
62	.0000	.0000	.0004	.0013	.0033	.0116	.0271	.0512	.0846
63	.0000	.0000	.0003	.0011	.0027	.0099	.0240	.0465	.0784
64	.0000	.0000	.0002	.0008	.0022	.0083	.0210	.0420	.0724
65	.0000	.0000	.0001	.0006	.0017	.0069	.0182	.0376	.0665
66	.0000	.0000	.0001	.0004	.0013	.0056	.0156	.0334	.0608
67	.0000	.0000	.0001	.0003	.0009	.0045	.0132	.0295	.0553
68	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0257	.0500
69	.0000	.0000	.0000	.0001	.0005	.0027	.0090	.0222	.0448
70	.0000	.0000	.0000	.0001	.0003	.0020	.0072	.0189	.0399
71	.0000	.0000	.0000	.0000	.0002	.0014	.0056	.0157	.0350
72	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0130	.0306

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
73	.0000	.0000	.0000	.0000	.0000	.0006	.0031	.0105	.0265
74	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0090	.0240

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 5  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7407	.6767	.6199	.5690	.5230	.4831	.4506	.4238	.4015	.3829	.3671	.3538	.3427	.3337
41	\$120	.7366	.6712	.6131	.5610	.5144	.4755	.4436	.4173	.3953	.3770	.3615	.3486	.3382	.3299
42	\$120	.7327	.6658	.6064	.5532	.5066	.4684	.4370	.4110	.3893	.3712	.3561	.3440	.3342	.3264
43	\$120	.7288	.6605	.5997	.5455	.4994	.4617	.4306	.4048	.3834	.3656	.3512	.3397	.3305	.3232
44	\$120	.7250	.6552	.5931	.5383	.4927	.4553	.4244	.3989	.3777	.3604	.3467	.3358	.3271	.3202
45	\$120	.7213	.6501	.5867	.5317	.4864	.4491	.4184	.3930	.3722	.3556	.3425	.3322	.3240	.3175
46	\$120	.7178	.6450	.5804	.5255	.4803	.4430	.4124	.3872	.3671	.3512	.3386	.3287	.3210	.3150
47	\$120	.7143	.6400	.5745	.5196	.4743	.4371	.4065	.3819	.3623	.3470	.3349	.3255	.3183	.3128
48	\$120	.7109	.6351	.5690	.5139	.4685	.4313	.4009	.3768	.3578	.3430	.3314	.3226	.3159	.3108
49	\$120	.7076	.6304	.5638	.5084	.4629	.4255	.3955	.3719	.3535	.3392	.3282	.3199	.3136	.3089
50	\$120	.7043	.6259	.5588	.5031	.4572	.4200	.3904	.3673	.3493	.3356	.3252	.3174	.3116	.3073
	\$250	.7046	.6260	.5558	.4931	.4369	.3869	.3437	.3069	.2757	.2492	.2268	.2080	.1920	.1788
51	\$120	.7012	.6217	.5540	.4978	.4517	.4146	.3855	.3628	.3454	.3322	.3224	.3151	.3097	.3058
	\$250	.7015	.6214	.5497	.4857	.4285	.3783	.3353	.2987	.2678	.2417	.2198	.2013	.1860	.1733
52	\$120	.6982	.6176	.5493	.4926	.4463	.4095	.3807	.3585	.3417	.3291	.3198	.3130	.3080	.3045
	\$250	.6984	.6168	.5437	.4784	.4203	.3700	.3271	.2908	.2602	.2344	.2128	.1950	.1803	.1683
53	\$120	.6953	.6138	.5448	.4875	.4411	.4045	.3761	.3544	.3382	.3261	.3174	.3110	.3065	.3033
	\$250	.6955	.6123	.5378	.4712	.4125	.3621	.3192	.2831	.2527	.2273	.2062	.1890	.1749	.1635
54	\$120	.6926	.6102	.5403	.4825	.4361	.3997	.3717	.3505	.3348	.3234	.3151	.3093	.3051	.3023
	\$250	.6927	.6080	.5319	.4641	.4050	.3544	.3116	.2755	.2454	.2204	.1999	.1833	.1699	.1591
55	\$120	.6901	.6066	.5359	.4777	.4312	.3950	.3674	.3468	.3317	.3208	.3131	.3077	.3039	.3014
	\$250	.6900	.6037	.5262	.4574	.3978	.3470	.3040	.2681	.2382	.2138	.1939	.1779	.1651	.1549
56	\$120	.6877	.6032	.5316	.4730	.4264	.3904	.3633	.3432	.3287	.3184	.3112	.3062	.3028	.3005
	\$250	.6874	.5996	.5206	.4509	.3908	.3396	.2966	.2608	.2314	.2075	.1882	.1728	.1607	.1511
57	\$120	.6855	.5999	.5275	.4684	.4217	.3860	.3593	.3398	.3259	.3162	.3095	.3049	.3019	.2998
	\$250	.6849	.5955	.5152	.4446	.3839	.3324	.2893	.2537	.2247	.2014	.1827	.1680	.1565	.1475
58	\$120	.6834	.5967	.5235	.4639	.4172	.3817	.3555	.3366	.3233	.3141	.3079	.3037	.3010	.2992
	\$250	.6826	.5916	.5100	.4386	.3772	.3254	.2822	.2469	.2183	.1955	.1775	.1635	.1526	.1442
	\$500	.6826	.5917	.5096	.4363	.3714	.3145	.2652	.2229	.1870	.1568	.1315	.1105	.0932	.0789
59	\$120	.6815	.5937	.5195	.4595	.4128	.3776	.3518	.3335	.3208	.3122	.3064	.3027	.3003	.2987
	\$250	.6803	.5879	.5051	.4327	.3706	.3184	.2753	.2402	.2121	.1899	.1726	.1592	.1489	.1412
	\$500	.6804	.5880	.5043	.4296	.3635	.3059	.2562	.2139	.1782	.1483	.1236	.1032	.0865	.0730
60	\$120	.6796	.5907	.5157	.4553	.4085	.3735	.3483	.3306	.3185	.3104	.3052	.3018	.2996	.2983
	\$250	.6782	.5844	.5004	.4269	.3642	.3116	.2685	.2338	.2061	.1845	.1679	.1552	.1456	.1385
	\$500	.6782	.5843	.4991	.4230	.3558	.2974	.2474	.2051	.1696	.1401	.1159	.0962	.0802	.0674
61	\$120	.6779	.5879	.5121	.4511	.4043	.3697	.3450	.3279	.3164	.3088	.3040	.3009	.2990	.2979
	\$250	.6762	.5811	.4958	.4213	.3579	.3050	.2619	.2275	.2004	.1794	.1634	.1514	.1425	.1359
	\$500	.6763	.5808	.4941	.4165	.3482	.2892	.2388	.1964	.1611	.1321	.1085	.0895	.0743	.0622
62	\$120	.6763	.5852	.5085	.4471	.4002	.3659	.3418	.3253	.3144	.3074	.3029	.3002	.2986	.2976
	\$250	.6744	.5780	.4914	.4159	.3517	.2985	.2555	.2214	.1948	.1745	.1593	.1480	.1397	.1337
	\$500	.6744	.5775	.4892	.4102	.3409	.2811	.2304	.1880	.1530	.1244	.1014	.0831	.0687	.0573
63	\$120	.6748	.5827	.5050	.4432	.3963	.3623	.3387	.3229	.3126	.3060	.3020	.2996	.2981	.2973

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$250	.6727	.5750	.4872	.4106	.3457	.2922	.2492	.2155	.1895	.1699	.1554	.1447	.1371	.1316
	\$500	.6727	.5744	.4845	.4041	.3336	.2731	.2221	.1797	.1450	.1170	.0947	.0771	.0634	.0528
64	\$120	.6734	.5802	.5017	.4394	.3925	.3589	.3358	.3206	.3109	.3048	.3012	.2990	.2978	.2971
	\$250	.6712	.5723	.4831	.4054	.3398	.2860	.2432	.2098	.1844	.1655	.1517	.1418	.1347	.1298
	\$500	.6711	.5714	.4800	.3981	.3266	.2654	.2140	.1716	.1372	.1098	.0882	.0714	.0585	.0487
	\$1,000	.6711	.5714	.4800	.3980	.3260	.2640	.2115	.1678	.1318	.1027	.0794	.0610	.0465	.0353
65	\$120	.6721	.5779	.4985	.4357	.3888	.3556	.3331	.3185	.3093	.3038	.3005	.2986	.2975	.2969
	\$250	.6699	.5697	.4793	.4005	.3341	.2800	.2372	.2043	.1796	.1614	.1483	.1391	.1326	.1282
	\$500	.6697	.5686	.4756	.3924	.3197	.2577	.2060	.1637	.1297	.1029	.0820	.0661	.0540	.0449
	\$1,000	.6697	.5686	.4756	.3921	.3189	.2560	.2030	.1592	.1235	.0949	.0723	.0547	.0411	.0306
66	\$120	.6710	.5757	.4954	.4321	.3852	.3524	.3305	.3165	.3079	.3028	.2998	.2982	.2973	.2968
	\$250	.6687	.5673	.4756	.3956	.3285	.2742	.2315	.1990	.1750	.1575	.1452	.1366	.1308	.1268
	\$500	.6684	.5660	.4716	.3869	.3130	.2503	.1982	.1560	.1225	.0963	.0762	.0611	.0498	.0415
	\$1,000	.6685	.5660	.4715	.3864	.3119	.2481	.1947	.1508	.1154	.0874	.0656	.0488	.0360	.0264
67	\$120	.6699	.5736	.4924	.4286	.3818	.3494	.3281	.3147	.3066	.3019	.2993	.2978	.2971	.2966
	\$250	.6676	.5651	.4721	.3910	.3231	.2685	.2260	.1940	.1706	.1539	.1423	.1344	.1291	.1256
	\$500	.6673	.5636	.4677	.3815	.3065	.2430	.1906	.1485	.1154	.0900	.0707	.0564	.0460	.0384
	\$1,000	.6673	.5636	.4675	.3809	.3051	.2403	.1864	.1426	.1076	.0802	.0591	.0432	.0313	.0225
68	\$120	.6689	.5716	.4895	.4253	.3785	.3465	.3258	.3130	.3055	.3012	.2988	.2976	.2969	.2966
	\$250	.6667	.5631	.4688	.3865	.3179	.2629	.2206	.1891	.1664	.1505	.1396	.1324	.1276	.1246
	\$500	.6663	.5615	.4640	.3764	.3002	.2358	.1832	.1413	.1087	.0839	.0655	.0521	.0425	.0357
	\$1,000	.6663	.5614	.4638	.3756	.2984	.2327	.1784	.1346	.1000	.0733	.0531	.0380	.0270	.0191
69	\$120	.6681	.5698	.4868	.4221	.3753	.3437	.3236	.3115	.3044	.3005	.2984	.2973	.2968	.2965
	\$250	.6659	.5612	.4656	.3822	.3128	.2576	.2154	.1845	.1625	.1474	.1372	.1306	.1263	.1237
	\$500	.6655	.5595	.4606	.3715	.2940	.2288	.1759	.1342	.1022	.0782	.0607	.0482	.0394	.0333
	\$1,000	.6655	.5594	.4602	.3704	.2919	.2252	.1705	.1267	.0926	.0667	.0474	.0333	.0231	.0160
70	\$120	.6673	.5680	.4841	.4190	.3723	.3411	.3216	.3100	.3035	.2999	.2981	.2971	.2966	.2964
	\$250	.6652	.5596	.4627	.3781	.3079	.2524	.2104	.1801	.1588	.1444	.1350	.1290	.1252	.1229
	\$500	.6648	.5577	.4574	.3667	.2880	.2220	.1688	.1273	.0959	.0728	.0562	.0446	.0366	.0312
	\$1,000	.6648	.5576	.4569	.3655	.2855	.2179	.1627	.1191	.0855	.0604	.0420	.0289	.0197	.0133
71	\$120	.6666	.5664	.4816	.4159	.3693	.3386	.3197	.3087	.3026	.2994	.2978	.2969	.2966	.2964
	\$250	.6646	.5580	.4598	.3740	.3030	.2472	.2055	.1757	.1553	.1417	.1330	.1276	.1242	.1223
	\$500	.6642	.5561	.4544	.3621	.2820	.2152	.1618	.1205	.0898	.0676	.0519	.0412	.0340	.0293
	\$1,000	.6642	.5560	.4538	.3607	.2792	.2105	.1550	.1115	.0785	.0543	.0369	.0248	.0165	.0109
72	\$120	.6660	.5649	.4792	.4132	.3666	.3363	.3180	.3076	.3019	.2990	.2975	.2968	.2965	.2963
	\$250	.6641	.5567	.4573	.3703	.2984	.2424	.2010	.1718	.1521	.1393	.1313	.1264	.1234	.1218
	\$500	.6637	.5548	.4517	.3579	.2764	.2088	.1552	.1143	.0842	.0629	.0482	.0384	.0319	.0278
	\$1,000	.6637	.5546	.4510	.3562	.2733	.2036	.1477	.1044	.0721	.0488	.0325	.0213	.0138	.0090
73	\$120	.6655	.5636	.4771	.4106	.3641	.3343	.3165	.3065	.3013	.2986	.2973	.2967	.2964	.2963
	\$250	.6638	.5555	.4550	.3668	.2942	.2380	.1969	.1683	.1493	.1372	.1298	.1254	.1228	.1213
	\$500	.6634	.5537	.4493	.3541	.2713	.2029	.1490	.1085	.0792	.0587	.0449	.0359	.0301	.0266
	\$1,000	.6634	.5535	.4485	.3522	.2677	.1971	.1409	.0979	.0663	.0439	.0285	.0183	.0116	.0074
74	\$120	.6652	.5628	.4757	.4090	.3626	.3330	.3156	.3059	.3009	.2984	.2972	.2967	.2964	.2963
	\$250	.6636	.5549	.4536	.3647	.2916	.2352	.1943	.1661	.1476	.1360	.1289	.1248	.1224	.1211
	\$500	.6632	.5531	.4479	.3517	.2680	.1991	.1451	.1048	.0760	.0562	.0430	.0345	.0291	.0259
	\$1,000	.6632	.5528	.4471	.3497	.2642	.1930	.1365	.0937	.0626	.0408	.0261	.0165	.0103	.0065

\*Single Loss Limit values are expressed in thousands of dollars.

Loss-Based Plan, with Various Single Loss Limits

Insurance Savings Table  
Hazard Group 5  
Effective October 29, 2010

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0027	.0106	.0228	.0384	.0779	.1263	.1818	.2433
41	\$120	.0000	.0024	.0097	.0211	.0359	.0738	.1208	.1750	.2354
42	\$120	.0000	.0021	.0088	.0195	.0335	.0699	.1154	.1683	.2275
43	\$120	.0000	.0019	.0080	.0179	.0312	.0660	.1100	.1617	.2198
44	\$120	.0000	.0016	.0072	.0165	.0290	.0622	.1048	.1551	.2127
45	\$120	.0000	.0014	.0065	.0151	.0268	.0585	.0996	.1486	.2061
46	\$120	.0000	.0012	.0058	.0138	.0248	.0549	.0946	.1424	.1999
47	\$120	.0000	.0011	.0052	.0125	.0228	.0515	.0896	.1365	.1940
48	\$120	.0000	.0009	.0046	.0113	.0209	.0481	.0847	.1310	.1883
49	\$120	.0000	.0008	.0041	.0102	.0191	.0447	.0800	.1258	.1828
50	\$120	.0000	.0007	.0036	.0091	.0174	.0415	.0755	.1208	.1774
	\$250	.0000	.0007	.0036	.0092	.0175	.0418	.0756	.1178	.1674
51	\$120	.0000	.0006	.0031	.0081	.0157	.0384	.0712	.1160	.1722
	\$250	.0000	.0006	.0031	.0082	.0158	.0386	.0709	.1117	.1601
52	\$120	.0000	.0005	.0027	.0072	.0142	.0354	.0672	.1113	.1670
	\$250	.0000	.0005	.0027	.0073	.0143	.0356	.0664	.1057	.1528
53	\$120	.0000	.0004	.0023	.0063	.0127	.0325	.0634	.1067	.1619
	\$250	.0000	.0004	.0023	.0064	.0128	.0327	.0619	.0998	.1455
54	\$120	.0000	.0003	.0020	.0055	.0113	.0298	.0597	.1023	.1569
	\$250	.0000	.0003	.0020	.0056	.0114	.0299	.0576	.0939	.1385
55	\$120	.0000	.0002	.0017	.0048	.0100	.0273	.0562	.0979	.1521
	\$250	.0000	.0003	.0017	.0048	.0101	.0272	.0533	.0882	.1318
56	\$120	.0000	.0002	.0014	.0041	.0088	.0249	.0528	.0936	.1474
	\$250	.0000	.0002	.0014	.0042	.0089	.0246	.0492	.0825	.1253
57	\$120	.0000	.0002	.0011	.0035	.0077	.0227	.0495	.0895	.1428
	\$250	.0000	.0002	.0012	.0036	.0077	.0221	.0451	.0772	.1190
58	\$120	.0000	.0001	.0009	.0030	.0066	.0206	.0463	.0854	.1383
	\$250	.0000	.0001	.0009	.0030	.0067	.0197	.0412	.0720	.1129
	\$500	.0000	.0001	.0009	.0030	.0067	.0198	.0413	.0716	.1107
59	\$120	.0000	.0001	.0007	.0025	.0057	.0187	.0433	.0815	.1339
	\$250	.0000	.0001	.0008	.0025	.0057	.0175	.0375	.0671	.1070
	\$500	.0000	.0001	.0008	.0025	.0057	.0175	.0375	.0663	.1039
60	\$120	.0000	.0001	.0006	.0020	.0048	.0168	.0403	.0777	.1296
	\$250	.0000	.0001	.0006	.0021	.0048	.0154	.0340	.0623	.1013
	\$500	.0000	.0001	.0006	.0021	.0048	.0154	.0339	.0611	.0973
61	\$120	.0000	.0000	.0005	.0017	.0041	.0151	.0375	.0740	.1255
	\$250	.0000	.0001	.0005	.0017	.0040	.0134	.0307	.0578	.0957
	\$500	.0000	.0001	.0005	.0017	.0040	.0134	.0304	.0560	.0908
62	\$120	.0000	.0000	.0004	.0013	.0034	.0135	.0348	.0705	.1215
	\$250	.0000	.0000	.0004	.0013	.0033	.0116	.0276	.0534	.0902

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$500	.0000	.0000	.0004	.0013	.0033	.0116	.0271	.0512	.0846
63	\$120	.0000	.0000	.0003	.0010	.0029	.0120	.0322	.0670	.1175
	\$250	.0000	.0000	.0003	.0010	.0027	.0099	.0246	.0492	.0849
	\$500	.0000	.0000	.0003	.0011	.0027	.0099	.0239	.0464	.0784
64	\$120	.0000	.0000	.0002	.0008	.0024	.0106	.0298	.0637	.1137
	\$250	.0000	.0000	.0002	.0008	.0021	.0084	.0219	.0451	.0798
	\$500	.0000	.0000	.0002	.0008	.0022	.0083	.0210	.0419	.0725
	\$1,000	.0000	.0000	.0002	.0008	.0022	.0083	.0210	.0420	.0724
65	\$120	.0000	.0000	.0001	.0006	.0019	.0093	.0275	.0604	.1100
	\$250	.0000	.0000	.0001	.0006	.0017	.0071	.0193	.0413	.0748
	\$500	.0000	.0000	.0001	.0006	.0017	.0069	.0182	.0376	.0668
	\$1,000	.0000	.0000	.0001	.0006	.0017	.0069	.0182	.0376	.0665
66	\$120	.0000	.0000	.0001	.0005	.0015	.0082	.0252	.0573	.1065
	\$250	.0000	.0000	.0001	.0004	.0013	.0059	.0169	.0376	.0700
	\$500	.0000	.0000	.0001	.0004	.0013	.0056	.0156	.0335	.0612
	\$1,000	.0000	.0000	.0001	.0004	.0013	.0056	.0156	.0334	.0608
67	\$120	.0000	.0000	.0001	.0004	.0012	.0071	.0232	.0544	.1030
	\$250	.0000	.0000	.0001	.0003	.0010	.0048	.0147	.0341	.0654
	\$500	.0000	.0000	.0001	.0003	.0009	.0045	.0132	.0297	.0559
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0045	.0132	.0295	.0553
68	\$120	.0000	.0000	.0000	.0003	.0010	.0061	.0212	.0515	.0997
	\$250	.0000	.0000	.0000	.0002	.0007	.0039	.0127	.0308	.0609
	\$500	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0260	.0508
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0035	.0110	.0257	.0500
69	\$120	.0000	.0000	.0000	.0002	.0007	.0053	.0193	.0487	.0965
	\$250	.0000	.0000	.0000	.0001	.0005	.0030	.0108	.0276	.0566
	\$500	.0000	.0000	.0000	.0001	.0005	.0027	.0091	.0226	.0458
	\$1,000	.0000	.0000	.0000	.0001	.0005	.0027	.0090	.0222	.0448
70	\$120	.0000	.0000	.0000	.0001	.0006	.0045	.0176	.0461	.0934
	\$250	.0000	.0000	.0000	.0001	.0003	.0024	.0091	.0246	.0524
	\$500	.0000	.0000	.0000	.0001	.0003	.0020	.0073	.0194	.0411
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0020	.0072	.0189	.0399
71	\$120	.0000	.0000	.0000	.0001	.0004	.0038	.0160	.0435	.0903
	\$250	.0000	.0000	.0000	.0000	.0002	.0018	.0076	.0218	.0484
	\$500	.0000	.0000	.0000	.0000	.0002	.0014	.0057	.0163	.0365
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0014	.0056	.0158	.0350
72	\$120	.0000	.0000	.0000	.0000	.0003	.0032	.0145	.0412	.0875
	\$250	.0000	.0000	.0000	.0000	.0001	.0013	.0063	.0193	.0446
	\$500	.0000	.0000	.0000	.0000	.0001	.0009	.0044	.0137	.0323
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0130	.0306
73	\$120	.0000	.0000	.0000	.0000	.0002	.0027	.0132	.0391	.0850
	\$250	.0000	.0000	.0000	.0000	.0001	.0009	.0051	.0170	.0412
	\$500	.0000	.0000	.0000	.0000	.0000	.0006	.0033	.0113	.0284
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0006	.0031	.0105	.0266

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
74	\$120	.0000	.0000	.0000	.0000	.0002	.0024	.0124	.0377	.0833
	\$250	.0000	.0000	.0000	.0000	.0000	.0007	.0045	.0156	.0391
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0027	.0099	.0260
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0090	.0240

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-960 Hazard Group 6 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 6  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8825	.8680	.8551	.8433	.8324	.8222	.8125	.8034	.7946	.7863	.7783	.7706	.7631	.7560
2	.8778	.8624	.8486	.8360	.8244	.8135	.8032	.7935	.7842	.7753	.7668	.7586	.7507	.7430
3	.8732	.8568	.8422	.8288	.8164	.8049	.7939	.7836	.7738	.7644	.7553	.7466	.7383	.7302
4	.8686	.8512	.8357	.8215	.8084	.7961	.7846	.7737	.7632	.7533	.7438	.7346	.7257	.7172
5	.8639	.8456	.8292	.8142	.8004	.7874	.7753	.7637	.7527	.7422	.7322	.7225	.7132	.7043
6	.8594	.8400	.8228	.8070	.7924	.7787	.7659	.7538	.7422	.7312	.7206	.7105	.7007	.6913
7	.8548	.8345	.8163	.7997	.7844	.7701	.7566	.7439	.7317	.7202	.7091	.6985	.6883	.6784
8	.8503	.8290	.8099	.7925	.7764	.7614	.7473	.7339	.7213	.7092	.6976	.6865	.6758	.6655
9	.8458	.8234	.8034	.7852	.7684	.7527	.7380	.7240	.7108	.6982	.6861	.6745	.6634	.6527
10	.8413	.8179	.7970	.7780	.7604	.7441	.7287	.7141	.7003	.6872	.6746	.6626	.6510	.6399
11	.8368	.8124	.7907	.7708	.7525	.7354	.7194	.7042	.6899	.6762	.6632	.6506	.6386	.6271
12	.8324	.8070	.7843	.7636	.7445	.7268	.7101	.6944	.6794	.6652	.6517	.6387	.6263	.6144
13	.8279	.8015	.7779	.7564	.7366	.7181	.7008	.6845	.6690	.6543	.6402	.6268	.6140	.6016
14	.8235	.7960	.7715	.7492	.7286	.7094	.6915	.6746	.6585	.6433	.6288	.6149	.6017	.5890
15	.8191	.7906	.7651	.7420	.7206	.7008	.6822	.6646	.6481	.6323	.6174	.6031	.5894	.5763
16	.8147	.7852	.7588	.7348	.7126	.6921	.6728	.6547	.6376	.6214	.6059	.5912	.5771	.5637
17	.8104	.7797	.7524	.7275	.7046	.6834	.6635	.6448	.6272	.6104	.5945	.5794	.5649	.5511
18	.8060	.7743	.7460	.7203	.6966	.6747	.6542	.6349	.6167	.5995	.5831	.5676	.5527	.5385
19	.8016	.7689	.7396	.7130	.6886	.6660	.6448	.6249	.6062	.5885	.5717	.5557	.5405	.5260
20	.7973	.7634	.7332	.7058	.6806	.6572	.6354	.6150	.5958	.5776	.5603	.5439	.5283	.5134
21	.7929	.7580	.7268	.6985	.6725	.6485	.6260	.6050	.5852	.5666	.5489	.5321	.5161	.5009
22	.7886	.7526	.7204	.6912	.6644	.6397	.6166	.5950	.5747	.5556	.5375	.5203	.5040	.4884
23	.7843	.7471	.7140	.6839	.6563	.6309	.6072	.5850	.5642	.5446	.5261	.5085	.4918	.4759
24	.7800	.7417	.7075	.6766	.6482	.6220	.5977	.5750	.5536	.5336	.5146	.4967	.4796	.4634
25	.7757	.7362	.7010	.6692	.6401	.6132	.5882	.5649	.5431	.5225	.5032	.4848	.4674	.4509
26	.7714	.7307	.6946	.6618	.6319	.6043	.5787	.5548	.5325	.5115	.4917	.4729	.4552	.4383
27	.7671	.7253	.6881	.6544	.6237	.5954	.5691	.5447	.5218	.5004	.4802	.4611	.4430	.4258
28	.7628	.7198	.6815	.6470	.6154	.5864	.5595	.5345	.5111	.4892	.4686	.4491	.4307	.4132
29	.7585	.7143	.6750	.6395	.6072	.5774	.5499	.5243	.5005	.4781	.4570	.4372	.4184	.4006
30	.7542	.7088	.6685	.6321	.5989	.5684	.5402	.5141	.4897	.4669	.4454	.4252	.4060	.3879
31	.7500	.7034	.6619	.6246	.5906	.5593	.5305	.5038	.4789	.4556	.4337	.4131	.3937	.3752
32	.7457	.6979	.6554	.6170	.5822	.5502	.5208	.4935	.4681	.4443	.4220	.4010	.3812	.3624
33	.7415	.6924	.6488	.6095	.5738	.5411	.5110	.4831	.4572	.4329	.4102	.3888	.3686	.3496
34	.7372	.6869	.6422	.6019	.5653	.5319	.5011	.4726	.4462	.4215	.3983	.3765	.3560	.3366
35	.7330	.6814	.6355	.5943	.5569	.5227	.4912	.4621	.4351	.4099	.3863	.3641	.3433	.3236

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
36	.7288	.6759	.6289	.5866	.5483	.5133	.4812	.4515	.4239	.3982	.3742	.3516	.3305	.3106
37	.7246	.6704	.6222	.5789	.5397	.5039	.4711	.4408	.4127	.3865	.3620	.3391	.3176	.2976
38	.7205	.6649	.6155	.5712	.5311	.4945	.4609	.4300	.4013	.3746	.3497	.3265	.3048	.2846
39	.7164	.6594	.6088	.5635	.5224	.4850	.4507	.4191	.3899	.3627	.3374	.3139	.2921	.2718
40	.7123	.6539	.6022	.5557	.5138	.4755	.4405	.4082	.3784	.3508	.3252	.3015	.2795	.2591
41	.7083	.6486	.5956	.5480	.5051	.4660	.4302	.3973	.3670	.3389	.3130	.2891	.2670	.2465
42	.7043	.6432	.5890	.5404	.4965	.4565	.4200	.3864	.3556	.3271	.3010	.2769	.2547	.2342
43	.7005	.6380	.5825	.5328	.4878	.4470	.4097	.3756	.3442	.3155	.2891	.2649	.2426	.2222
44	.6967	.6328	.5760	.5252	.4793	.4375	.3995	.3647	.3330	.3039	.2773	.2530	.2307	.2104
45	.6930	.6277	.5696	.5176	.4707	.4281	.3893	.3540	.3218	.2924	.2657	.2413	.2191	.1988
46	.6894	.6226	.5633	.5101	.4621	.4186	.3792	.3433	.3107	.2811	.2542	.2298	.2077	.1876
47	.6858	.6176	.5570	.5026	.4536	.4092	.3690	.3327	.2997	.2699	.2429	.2185	.1965	.1766
48	.6824	.6127	.5507	.4951	.4450	.3998	.3590	.3221	.2889	.2589	.2318	.2075	.1855	.1658
49	.6790	.6079	.5445	.4877	.4365	.3904	.3490	.3116	.2781	.2479	.2208	.1966	.1749	.1554
50	.6757	.6031	.5383	.4802	.4280	.3811	.3390	.3012	.2674	.2371	.2101	.1859	.1644	.1453
51	.6725	.5984	.5322	.4728	.4196	.3718	.3291	.2909	.2568	.2265	.1995	.1755	.1542	.1354
52	.6693	.5938	.5261	.4655	.4112	.3626	.3193	.2807	.2464	.2159	.1890	.1653	.1443	.1259
53	.6663	.5892	.5201	.4582	.4028	.3534	.3095	.2705	.2360	.2056	.1788	.1553	.1347	.1166
54	.6634	.5847	.5141	.4509	.3945	.3443	.2998	.2604	.2258	.1954	.1688	.1455	.1253	.1077
55	.6605	.5803	.5082	.4437	.3862	.3352	.2901	.2505	.2157	.1854	.1589	.1360	.1162	.0991
56	.6578	.5760	.5024	.4366	.3780	.3262	.2806	.2406	.2058	.1755	.1493	.1267	.1073	.0907
57	.6551	.5718	.4967	.4296	.3699	.3172	.2711	.2308	.1959	.1658	.1399	.1177	.0988	.0828
58	.6526	.5677	.4911	.4226	.3618	.3084	.2617	.2212	.1862	.1563	.1307	.1090	.0906	.0751
59	.6502	.5638	.4856	.4157	.3539	.2996	.2524	.2116	.1767	.1469	.1217	.1005	.0827	.0678
60	.6479	.5599	.4802	.4090	.3460	.2909	.2432	.2022	.1673	.1378	.1130	.0923	.0751	.0609
61	.6457	.5563	.4750	.4023	.3382	.2823	.2341	.1929	.1581	.1288	.1045	.0844	.0678	.0543
62	.6437	.5527	.4699	.3958	.3305	.2738	.2251	.1837	.1490	.1201	.0963	.0768	.0609	.0481
63	.6419	.5494	.4650	.3895	.3230	.2654	.2162	.1747	.1401	.1116	.0883	.0695	.0544	.0423
64	.6402	.5462	.4603	.3833	.3156	.2571	.2074	.1658	.1314	.1033	.0806	.0625	.0482	.0369
65	.6386	.5432	.4557	.3772	.3083	.2489	.1988	.1570	.1229	.0953	.0733	.0559	.0424	.0319
66	.6372	.5405	.4514	.3713	.3011	.2409	.1902	.1485	.1146	.0875	.0662	.0497	.0370	.0273
67	.6359	.5379	.4472	.3656	.2941	.2329	.1818	.1400	.1065	.0800	.0595	.0438	.0319	.0231
68	.6348	.5355	.4433	.3601	.2872	.2251	.1735	.1318	.0986	.0728	.0531	.0383	.0273	.0194
69	.6339	.5334	.4396	.3547	.2805	.2174	.1654	.1236	.0909	.0659	.0470	.0332	.0231	.0160
70	.6331	.5314	.4361	.3496	.2739	.2098	.1574	.1157	.0835	.0593	.0414	.0285	.0194	.0130
71	.6324	.5297	.4328	.3445	.2673	.2022	.1493	.1078	.0762	.0528	.0360	.0241	.0159	.0104
72	.6319	.5282	.4298	.3399	.2611	.1950	.1417	.1004	.0694	.0470	.0312	.0203	.0130	.0082
73	.6316	.5270	.4272	.3356	.2553	.1881	.1345	.0934	.0632	.0417	.0269	.0170	.0105	.0064
74	.6314	.5263	.4256	.3329	.2516	.1837	.1299	.0890	.0593	.0384	.0243	.0151	.0091	.0054

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 6  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0366	.0759	.1177	.1613	.2515	.3440	.4381	.5333
2	.0000	.0351	.0735	.1147	.1577	.2468	.3384	.4316	.5260
3	.0000	.0337	.0712	.1118	.1542	.2422	.3328	.4252	.5188
4	.0000	.0322	.0689	.1089	.1507	.2376	.3272	.4187	.5115
5	.0000	.0308	.0667	.1060	.1472	.2329	.3216	.4122	.5042
6	.0000	.0295	.0646	.1032	.1437	.2284	.3160	.4058	.4970

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
7	.0000	.0282	.0625	.1004	.1403	.2238	.3105	.3993	.4897
8	.0000	.0269	.0605	.0977	.1369	.2193	.3050	.3929	.4825
9	.0000	.0257	.0585	.0950	.1336	.2148	.2994	.3864	.4752
10	.0000	.0246	.0566	.0923	.1303	.2103	.2939	.3800	.4680
11	.0000	.0234	.0547	.0897	.1270	.2058	.2884	.3737	.4608
12	.0000	.0224	.0528	.0871	.1237	.2014	.2830	.3673	.4536
13	.0000	.0213	.0509	.0845	.1205	.1969	.2775	.3609	.4464
14	.0000	.0203	.0491	.0820	.1172	.1925	.2720	.3545	.4392
15	.0000	.0194	.0473	.0794	.1140	.1881	.2666	.3481	.4320
16	.0000	.0184	.0456	.0769	.1109	.1837	.2612	.3418	.4248
17	.0000	.0175	.0439	.0745	.1077	.1794	.2557	.3354	.4175
18	.0000	.0166	.0422	.0720	.1046	.1750	.2503	.3290	.4103
19	.0000	.0158	.0405	.0696	.1014	.1706	.2449	.3226	.4030
20	.0000	.0149	.0388	.0672	.0983	.1663	.2394	.3162	.3958
21	.0000	.0141	.0372	.0648	.0952	.1619	.2340	.3098	.3885
22	.0000	.0133	.0356	.0624	.0922	.1576	.2286	.3034	.3812
23	.0000	.0126	.0340	.0601	.0891	.1533	.2231	.2970	.3739
24	.0000	.0118	.0325	.0578	.0861	.1490	.2177	.2905	.3666
25	.0000	.0111	.0310	.0555	.0831	.1447	.2122	.2840	.3592
26	.0000	.0104	.0295	.0532	.0801	.1404	.2067	.2776	.3518
27	.0000	.0097	.0280	.0510	.0771	.1361	.2013	.2711	.3444
28	.0000	.0091	.0266	.0488	.0742	.1318	.1958	.2645	.3370
29	.0000	.0085	.0252	.0466	.0713	.1275	.1903	.2580	.3295
30	.0000	.0079	.0238	.0444	.0684	.1232	.1848	.2515	.3221
31	.0000	.0073	.0224	.0423	.0655	.1190	.1794	.2449	.3146
32	.0000	.0067	.0211	.0402	.0626	.1147	.1739	.2384	.3070
33	.0000	.0062	.0198	.0381	.0598	.1105	.1684	.2318	.2995
34	.0000	.0057	.0186	.0361	.0570	.1062	.1629	.2252	.2919
35	.0000	.0052	.0174	.0341	.0542	.1020	.1574	.2185	.2843
36	.0000	.0048	.0162	.0321	.0515	.0978	.1519	.2119	.2766
37	.0000	.0043	.0150	.0302	.0488	.0936	.1464	.2052	.2689
38	.0000	.0039	.0139	.0283	.0461	.0895	.1409	.1985	.2612
39	.0000	.0035	.0129	.0265	.0435	.0854	.1354	.1918	.2535
40	.0000	.0032	.0118	.0247	.0409	.0813	.1299	.1852	.2457
41	.0000	.0028	.0108	.0230	.0384	.0773	.1246	.1786	.2380
42	.0000	.0025	.0099	.0213	.0360	.0733	.1192	.1720	.2304
43	.0000	.0022	.0090	.0197	.0337	.0695	.1140	.1655	.2228
44	.0000	.0020	.0082	.0182	.0314	.0657	.1088	.1590	.2152
45	.0000	.0017	.0074	.0167	.0292	.0620	.1037	.1526	.2076
46	.0000	.0015	.0067	.0153	.0270	.0584	.0986	.1463	.2001
47	.0000	.0013	.0060	.0140	.0250	.0548	.0936	.1400	.1926
48	.0000	.0011	.0053	.0127	.0230	.0514	.0887	.1337	.1851
49	.0000	.0010	.0047	.0115	.0211	.0480	.0839	.1275	.1777
50	.0000	.0008	.0042	.0104	.0193	.0447	.0791	.1213	.1702
51	.0000	.0007	.0037	.0093	.0175	.0415	.0744	.1152	.1628
52	.0000	.0006	.0032	.0083	.0159	.0383	.0698	.1091	.1555

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
53	.0000	.0005	.0028	.0073	.0143	.0353	.0652	.1031	.1482
54	.0000	.0004	.0024	.0064	.0128	.0324	.0607	.0971	.1409
55	.0000	.0003	.0020	.0056	.0114	.0295	.0563	.0912	.1337
56	.0000	.0003	.0017	.0049	.0100	.0268	.0520	.0854	.1266
57	.0000	.0002	.0014	.0042	.0088	.0241	.0478	.0797	.1196
58	.0000	.0002	.0012	.0035	.0076	.0216	.0437	.0741	.1126
59	.0000	.0001	.0009	.0030	.0065	.0192	.0398	.0686	.1057
60	.0000	.0001	.0007	.0025	.0056	.0169	.0359	.0632	.0990
61	.0000	.0001	.0006	.0020	.0047	.0147	.0323	.0580	.0923
62	.0000	.0000	.0005	.0016	.0039	.0127	.0287	.0529	.0858
63	.0000	.0000	.0003	.0013	.0031	.0109	.0254	.0480	.0795
64	.0000	.0000	.0002	.0010	.0025	.0092	.0222	.0433	.0733
65	.0000	.0000	.0002	.0007	.0020	.0076	.0192	.0387	.0672
66	.0000	.0000	.0001	.0005	.0015	.0062	.0165	.0344	.0613
67	.0000	.0000	.0001	.0004	.0011	.0049	.0139	.0302	.0556
68	.0000	.0000	.0000	.0002	.0008	.0038	.0115	.0263	.0501
69	.0000	.0000	.0000	.0002	.0005	.0029	.0094	.0226	.0447
70	.0000	.0000	.0000	.0001	.0003	.0021	.0074	.0191	.0396
71	.0000	.0000	.0000	.0000	.0002	.0014	.0057	.0158	.0345
72	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0128	.0299
73	.0000	.0000	.0000	.0000	.0000	.0006	.0030	.0102	.0256
74	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0086	.0229

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 6  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7119	.6533	.6013	.5547	.5125	.4761	.4468	.4230	.4032	.3867	.3727	.3610	.3511	.3432
41	\$120	.7079	.6479	.5947	.5470	.5042	.4689	.4404	.4170	.3975	.3813	.3676	.3562	.3471	.3398
42	\$120	.7039	.6426	.5881	.5393	.4968	.4624	.4343	.4112	.3920	.3760	.3626	.3520	.3435	.3367
43	\$120	.7001	.6374	.5816	.5318	.4900	.4561	.4284	.4056	.3866	.3708	.3582	.3482	.3402	.3339
44	\$120	.6963	.6322	.5752	.5249	.4837	.4502	.4227	.4000	.3813	.3661	.3541	.3447	.3372	.3313
45	\$120	.6926	.6271	.5688	.5186	.4778	.4444	.4171	.3946	.3762	.3618	.3504	.3414	.3344	.3289
46	\$120	.6890	.6220	.5626	.5127	.4720	.4388	.4116	.3893	.3716	.3577	.3469	.3384	.3318	.3267
47	\$120	.6854	.6170	.5569	.5071	.4665	.4333	.4061	.3843	.3673	.3540	.3436	.3356	.3294	.3248
48	\$120	.6820	.6121	.5516	.5017	.4610	.4278	.4009	.3797	.3632	.3504	.3405	.3330	.3273	.3230
49	\$120	.6786	.6074	.5465	.4965	.4556	.4224	.3959	.3753	.3593	.3470	.3376	.3306	.3253	.3214
50	\$120	.6753	.6029	.5417	.4914	.4503	.4172	.3912	.3711	.3556	.3438	.3350	.3284	.3236	.3200
	\$250	.6756	.6029	.5380	.4798	.4275	.3810	.3409	.3069	.2782	.2538	.2332	.2158	.2010	.1887
51	\$120	.6721	.5987	.5370	.4863	.4450	.4122	.3867	.3670	.3520	.3408	.3325	.3264	.3220	.3188
	\$250	.6723	.5982	.5319	.4725	.4191	.3725	.3328	.2991	.2707	.2467	.2264	.2094	.1952	.1836
52	\$120	.6690	.5947	.5325	.4813	.4400	.4075	.3823	.3631	.3487	.3380	.3302	.3246	.3205	.3177
	\$250	.6692	.5936	.5258	.4651	.4111	.3645	.3250	.2915	.2634	.2397	.2198	.2033	.1898	.1788
53	\$120	.6660	.5909	.5280	.4764	.4351	.4029	.3781	.3594	.3456	.3354	.3281	.3229	.3192	.3167
	\$250	.6662	.5890	.5198	.4578	.4034	.3568	.3174	.2842	.2562	.2328	.2135	.1976	.1847	.1743

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
54	\$120	.6632	.5872	.5237	.4716	.4304	.3984	.3740	.3559	.3426	.3330	.3262	.3214	.3181	.3158
	\$250	.6632	.5845	.5139	.4508	.3961	.3494	.3100	.2769	.2492	.2262	.2075	.1922	.1800	.1701
55	\$120	.6606	.5837	.5193	.4670	.4257	.3940	.3701	.3526	.3398	.3308	.3245	.3201	.3171	.3151
	\$250	.6604	.5801	.5080	.4441	.3890	.3422	.3027	.2697	.2423	.2199	.2018	.1872	.1755	.1662
56	\$120	.6581	.5803	.5151	.4625	.4212	.3898	.3664	.3494	.3372	.3287	.3228	.3189	.3162	.3144
	\$250	.6577	.5758	.5023	.4376	.3821	.3351	.2955	.2627	.2357	.2139	.1963	.1823	.1712	.1625
57	\$120	.6558	.5770	.5111	.4581	.4168	.3857	.3628	.3464	.3348	.3268	.3214	.3178	.3154	.3138
	\$250	.6550	.5716	.4968	.4314	.3754	.3281	.2885	.2559	.2294	.2081	.1911	.1778	.1673	.1592
58	\$120	.6537	.5737	.5071	.4538	.4126	.3818	.3594	.3435	.3325	.3250	.3201	.3168	.3147	.3134
	\$250	.6525	.5676	.4916	.4254	.3688	.3212	.2816	.2493	.2233	.2025	.1862	.1735	.1636	.1561
	\$500	.6526	.5677	.4910	.4225	.3616	.3082	.2617	.2218	.1879	.1592	.1350	.1149	.0982	.0844
59	\$120	.6516	.5706	.5032	.4495	.4084	.3779	.3561	.3408	.3304	.3234	.3189	.3160	.3141	.3129
	\$250	.6501	.5637	.4866	.4196	.3624	.3144	.2749	.2429	.2174	.1972	.1815	.1694	.1602	.1533
	\$500	.6502	.5637	.4855	.4156	.3537	.2995	.2528	.2129	.1791	.1507	.1271	.1076	.0916	.0785
60	\$120	.6497	.5676	.4995	.4454	.4044	.3743	.3529	.3383	.3284	.3220	.3178	.3152	.3136	.3126
	\$250	.6478	.5601	.4818	.4138	.3560	.3078	.2684	.2367	.2117	.1921	.1771	.1657	.1571	.1507
	\$500	.6479	.5599	.4802	.4089	.3459	.2911	.2440	.2041	.1705	.1426	.1195	.1006	.0852	.0729
61	\$120	.6478	.5647	.4958	.4414	.4004	.3707	.3499	.3359	.3266	.3206	.3169	.3146	.3131	.3123
	\$250	.6457	.5566	.4772	.4082	.3497	.3013	.2620	.2307	.2062	.1873	.1729	.1622	.1542	.1484
	\$500	.6457	.5562	.4749	.4022	.3382	.2828	.2355	.1955	.1622	.1346	.1121	.0939	.0793	.0676
62	\$120	.6461	.5620	.4923	.4376	.3966	.3673	.3471	.3336	.3249	.3194	.3160	.3140	.3128	.3121
	\$250	.6437	.5534	.4727	.4028	.3437	.2950	.2558	.2248	.2009	.1827	.1690	.1589	.1516	.1463
	\$500	.6437	.5527	.4699	.3958	.3308	.2747	.2270	.1871	.1540	.1270	.1051	.0876	.0737	.0627
63	\$120	.6445	.5593	.4888	.4338	.3929	.3641	.3444	.3315	.3234	.3183	.3153	.3135	.3125	.3119
	\$250	.6419	.5503	.4684	.3974	.3377	.2888	.2497	.2192	.1959	.1783	.1654	.1559	.1492	.1444
	\$500	.6418	.5494	.4650	.3895	.3235	.2668	.2188	.1788	.1461	.1195	.0983	.0815	.0684	.0582
64	\$120	.6430	.5568	.4855	.4301	.3894	.3609	.3419	.3296	.3220	.3174	.3146	.3131	.3122	.3117
	\$250	.6403	.5474	.4643	.3923	.3319	.2828	.2439	.2138	.1910	.1742	.1620	.1532	.1470	.1428
	\$500	.6401	.5462	.4603	.3835	.3164	.2589	.2107	.1708	.1384	.1124	.0919	.0758	.0635	.0540
	\$1,000	.6401	.5462	.4603	.3833	.3155	.2571	.2074	.1658	.1314	.1034	.0808	.0627	.0485	.0373
65	\$120	.6416	.5544	.4823	.4265	.3859	.3579	.3395	.3278	.3207	.3165	.3141	.3127	.3120	.3116
	\$250	.6388	.5447	.4603	.3873	.3262	.2769	.2381	.2085	.1864	.1703	.1588	.1507	.1451	.1413
	\$500	.6386	.5432	.4558	.3776	.3094	.2513	.2027	.1629	.1309	.1055	.0857	.0705	.0589	.0502
	\$1,000	.6386	.5432	.4557	.3772	.3082	.2489	.1987	.1571	.1229	.0954	.0735	.0562	.0427	.0324
66	\$120	.6403	.5520	.4791	.4231	.3826	.3551	.3372	.3262	.3196	.3157	.3136	.3124	.3118	.3115
	\$250	.6375	.5422	.4565	.3824	.3207	.2712	.2326	.2035	.1821	.1667	.1559	.1484	.1434	.1400
	\$500	.6372	.5405	.4515	.3720	.3026	.2438	.1949	.1552	.1236	.0989	.0799	.0655	.0547	.0468
	\$1,000	.6372	.5405	.4514	.3713	.3011	.2408	.1902	.1485	.1147	.0877	.0665	.0500	.0374	.0279
67	\$120	.6392	.5499	.4761	.4197	.3794	.3523	.3351	.3246	.3185	.3151	.3132	.3122	.3117	.3114
	\$250	.6363	.5398	.4529	.3777	.3154	.2656	.2273	.1987	.1779	.1633	.1532	.1464	.1419	.1390
	\$500	.6359	.5379	.4475	.3665	.2960	.2364	.1873	.1477	.1166	.0926	.0744	.0608	.0509	.0437
	\$1,000	.6359	.5379	.4472	.3656	.2941	.2329	.1819	.1401	.1066	.0803	.0599	.0443	.0325	.0238
68	\$120	.6381	.5478	.4732	.4165	.3763	.3498	.3331	.3232	.3176	.3145	.3128	.3120	.3116	.3114
	\$250	.6353	.5377	.4494	.3732	.3101	.2602	.2221	.1941	.1740	.1602	.1508	.1446	.1406	.1380
	\$500	.6348	.5356	.4437	.3612	.2896	.2292	.1798	.1405	.1098	.0866	.0692	.0565	.0474	.0410
	\$1,000	.6348	.5355	.4433	.3601	.2872	.2251	.1736	.1319	.0988	.0732	.0536	.0389	.0280	.0202
69	\$120	.6371	.5458	.4704	.4133	.3734	.3473	.3313	.3220	.3168	.3140	.3125	.3118	.3115	.3113
	\$250	.6344	.5357	.4462	.3688	.3050	.2549	.2171	.1896	.1704	.1573	.1486	.1430	.1394	.1372
	\$500	.6339	.5335	.4401	.3561	.2832	.2221	.1725	.1333	.1033	.0808	.0644	.0526	.0443	.0385
	\$1,000	.6339	.5334	.4396	.3547	.2805	.2175	.1655	.1239	.0913	.0663	.0476	.0339	.0240	.0169
70	\$120	.6363	.5440	.4678	.4103	.3706	.3450	.3296	.3208	.3160	.3136	.3123	.3117	.3114	.3113
	\$250	.6336	.5339	.4431	.3645	.3001	.2498	.2123	.1854	.1669	.1546	.1466	.1416	.1385	.1366
	\$500	.6331	.5316	.4367	.3513	.2771	.2152	.1654	.1265	.0971	.0754	.0599	.0490	.0415	.0364

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$1,000	.6331	.5314	.4361	.3496	.2739	.2099	.1576	.1160	.0839	.0598	.0421	.0293	.0203	.0140
71	\$120	.6355	.5422	.4651	.4074	.3678	.3428	.3280	.3197	.3154	.3132	.3121	.3116	.3113	.3112
	\$250	.6330	.5322	.4401	.3604	.2952	.2447	.2075	.1814	.1637	.1521	.1448	.1403	.1376	.1360
	\$500	.6325	.5299	.4336	.3465	.2710	.2083	.1582	.1197	.0909	.0702	.0556	.0456	.0390	.0346
	\$1,000	.6324	.5297	.4328	.3446	.2674	.2023	.1496	.1082	.0767	.0535	.0368	.0250	.0170	.0115
72	\$120	.6348	.5406	.4627	.4047	.3653	.3408	.3266	.3188	.3148	.3129	.3119	.3115	.3113	.3112
	\$250	.6324	.5308	.4374	.3565	.2907	.2400	.2032	.1777	.1607	.1499	.1433	.1393	.1369	.1356
	\$500	.6320	.5285	.4307	.3421	.2653	.2018	.1516	.1133	.0854	.0655	.0519	.0428	.0368	.0331
	\$1,000	.6319	.5282	.4298	.3399	.2612	.1952	.1420	.1009	.0701	.0478	.0321	.0214	.0142	.0095
73	\$120	.6342	.5391	.4605	.4022	.3630	.3390	.3253	.3180	.3144	.3126	.3118	.3114	.3113	.3112
	\$250	.6320	.5295	.4350	.3530	.2864	.2357	.1992	.1743	.1582	.1480	.1419	.1384	.1364	.1353
	\$500	.6316	.5273	.4283	.3381	.2600	.1957	.1453	.1075	.0803	.0613	.0486	.0404	.0351	.0318
	\$1,000	.6316	.5270	.4272	.3357	.2555	.1884	.1350	.0941	.0640	.0427	.0280	.0182	.0118	.0078
74	\$120	.6338	.5383	.4592	.4006	.3616	.3379	.3245	.3176	.3141	.3125	.3117	.3114	.3113	.3112
	\$250	.6318	.5288	.4335	.3508	.2838	.2329	.1967	.1723	.1566	.1469	.1412	.1379	.1361	.1351
	\$500	.6314	.5267	.4268	.3356	.2567	.1919	.1414	.1038	.0771	.0588	.0467	.0389	.0341	.0312
	\$1,000	.6314	.5263	.4257	.3331	.2518	.1841	.1304	.0898	.0602	.0395	.0255	.0164	.0105	.0069

\*Single Loss Limit values are expressed in thousands of dollars.

Premium-Based Plan, with Various Single Loss Limits

Insurance Savings Table  
 Hazard Group 6  
 Effective October 29, 2010

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0031	.0117	.0245	.0407	.0809	.1293	.1843	.2447
41	\$120	.0000	.0028	.0108	.0228	.0382	.0769	.1239	.1777	.2370
42	\$120	.0000	.0025	.0098	.0212	.0358	.0729	.1186	.1711	.2293
43	\$120	.0000	.0022	.0090	.0196	.0334	.0691	.1134	.1646	.2218
44	\$120	.0000	.0019	.0081	.0181	.0312	.0653	.1082	.1582	.2149
45	\$120	.0000	.0017	.0074	.0166	.0289	.0616	.1031	.1518	.2086
46	\$120	.0000	.0015	.0066	.0152	.0268	.0580	.0980	.1456	.2027
47	\$120	.0000	.0013	.0059	.0139	.0248	.0544	.0930	.1399	.1971
48	\$120	.0000	.0011	.0053	.0126	.0228	.0510	.0881	.1346	.1917
49	\$120	.0000	.0010	.0047	.0114	.0209	.0476	.0834	.1295	.1865
50	\$120	.0000	.0008	.0041	.0103	.0191	.0443	.0789	.1247	.1814
	\$250	.0000	.0008	.0042	.0103	.0192	.0446	.0789	.1210	.1698
51	\$120	.0000	.0007	.0036	.0092	.0174	.0411	.0747	.1200	.1763
	\$250	.0000	.0007	.0037	.0093	.0175	.0413	.0742	.1149	.1625
52	\$120	.0000	.0006	.0032	.0082	.0157	.0380	.0707	.1155	.1713
	\$250	.0000	.0006	.0032	.0082	.0158	.0382	.0696	.1088	.1551
53	\$120	.0000	.0005	.0027	.0072	.0141	.0350	.0669	.1110	.1664
	\$250	.0000	.0005	.0027	.0073	.0142	.0352	.0650	.1028	.1478
54	\$120	.0000	.0004	.0023	.0064	.0126	.0322	.0632	.1067	.1616
	\$250	.0000	.0004	.0024	.0064	.0127	.0322	.0605	.0969	.1408

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
55	\$120	.0000	.0003	.0020	.0055	.0112	.0296	.0597	.1023	.1570
	\$250	.0000	.0003	.0020	.0056	.0113	.0294	.0561	.0910	.1341
56	\$120	.0000	.0003	.0017	.0048	.0099	.0271	.0563	.0981	.1525
	\$250	.0000	.0003	.0017	.0048	.0100	.0267	.0518	.0853	.1276
57	\$120	.0000	.0002	.0014	.0041	.0087	.0248	.0530	.0941	.1481
	\$250	.0000	.0002	.0014	.0041	.0087	.0240	.0476	.0798	.1214
58	\$120	.0000	.0002	.0011	.0035	.0075	.0227	.0497	.0901	.1438
	\$250	.0000	.0002	.0011	.0035	.0076	.0215	.0436	.0746	.1154
	\$500	.0000	.0002	.0012	.0035	.0076	.0216	.0437	.0740	.1125
59	\$120	.0000	.0001	.0009	.0029	.0065	.0206	.0466	.0862	.1395
	\$250	.0000	.0001	.0009	.0029	.0065	.0191	.0397	.0696	.1096
	\$500	.0000	.0001	.0009	.0030	.0065	.0192	.0397	.0685	.1056
60	\$120	.0000	.0001	.0007	.0024	.0056	.0187	.0436	.0825	.1354
	\$250	.0000	.0001	.0007	.0024	.0055	.0168	.0361	.0648	.1038
	\$500	.0000	.0001	.0007	.0024	.0056	.0169	.0359	.0632	.0989
61	\$120	.0000	.0001	.0006	.0020	.0047	.0168	.0407	.0788	.1314
	\$250	.0000	.0001	.0006	.0020	.0046	.0147	.0326	.0602	.0982
	\$500	.0000	.0001	.0006	.0020	.0047	.0147	.0322	.0579	.0922
62	\$120	.0000	.0000	.0004	.0016	.0040	.0151	.0380	.0753	.1276
	\$250	.0000	.0000	.0004	.0016	.0038	.0127	.0294	.0557	.0928
	\$500	.0000	.0000	.0005	.0016	.0039	.0127	.0287	.0529	.0858
63	\$120	.0000	.0000	.0003	.0013	.0034	.0135	.0353	.0718	.1238
	\$250	.0000	.0000	.0003	.0013	.0031	.0109	.0263	.0514	.0874
	\$500	.0000	.0000	.0003	.0013	.0031	.0108	.0254	.0480	.0795
64	\$120	.0000	.0000	.0002	.0010	.0028	.0120	.0328	.0685	.1201
	\$250	.0000	.0000	.0002	.0010	.0025	.0093	.0234	.0473	.0823
	\$500	.0000	.0000	.0002	.0010	.0025	.0091	.0222	.0433	.0735
	\$1,000	.0000	.0000	.0002	.0010	.0025	.0091	.0222	.0433	.0733
65	\$120	.0000	.0000	.0002	.0008	.0023	.0106	.0304	.0653	.1165
	\$250	.0000	.0000	.0002	.0007	.0019	.0078	.0207	.0433	.0773
	\$500	.0000	.0000	.0002	.0007	.0019	.0076	.0192	.0388	.0676
	\$1,000	.0000	.0000	.0002	.0007	.0020	.0076	.0192	.0387	.0672
66	\$120	.0000	.0000	.0001	.0006	.0018	.0093	.0280	.0621	.1131
	\$250	.0000	.0000	.0001	.0005	.0015	.0065	.0182	.0395	.0724
	\$500	.0000	.0000	.0001	.0005	.0015	.0062	.0165	.0345	.0620
	\$1,000	.0000	.0000	.0001	.0005	.0015	.0062	.0165	.0344	.0613
67	\$120	.0000	.0000	.0001	.0004	.0015	.0082	.0259	.0591	.1097
	\$250	.0000	.0000	.0001	.0004	.0011	.0053	.0158	.0359	.0677
	\$500	.0000	.0000	.0001	.0004	.0011	.0049	.0139	.0305	.0565
	\$1,000	.0000	.0000	.0001	.0004	.0011	.0049	.0139	.0302	.0556
68	\$120	.0000	.0000	.0001	.0003	.0012	.0071	.0238	.0562	.1065
	\$250	.0000	.0000	.0000	.0002	.0008	.0043	.0137	.0324	.0632
	\$500	.0000	.0000	.0000	.0002	.0008	.0038	.0116	.0267	.0512
	\$1,000	.0000	.0000	.0000	.0002	.0008	.0038	.0115	.0263	.0501

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
69	\$120	.0000	.0000	.0000	.0002	.0009	.0061	.0218	.0534	.1033
	\$250	.0000	.0000	.0000	.0002	.0006	.0034	.0117	.0292	.0588
	\$500	.0000	.0000	.0000	.0002	.0005	.0029	.0095	.0231	.0461
	\$1,000	.0000	.0000	.0000	.0002	.0005	.0029	.0094	.0226	.0447
70	\$120	.0000	.0000	.0000	.0002	.0007	.0053	.0200	.0508	.1003
	\$250	.0000	.0000	.0000	.0001	.0004	.0026	.0099	.0261	.0545
	\$500	.0000	.0000	.0000	.0001	.0003	.0021	.0076	.0197	.0413
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0021	.0074	.0191	.0396
71	\$120	.0000	.0000	.0000	.0001	.0005	.0045	.0182	.0481	.0974
	\$250	.0000	.0000	.0000	.0001	.0002	.0020	.0082	.0231	.0504
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0059	.0166	.0365
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0014	.0057	.0158	.0346
72	\$120	.0000	.0000	.0000	.0001	.0004	.0038	.0166	.0457	.0947
	\$250	.0000	.0000	.0000	.0000	.0001	.0014	.0068	.0204	.0465
	\$500	.0000	.0000	.0000	.0000	.0001	.0010	.0045	.0137	.0321
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0128	.0299
73	\$120	.0000	.0000	.0000	.0000	.0003	.0032	.0151	.0435	.0922
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0055	.0180	.0430
	\$500	.0000	.0000	.0000	.0000	.0000	.0006	.0033	.0113	.0281
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0006	.0030	.0102	.0257
74	\$120	.0000	.0000	.0000	.0000	.0002	.0028	.0143	.0422	.0906
	\$250	.0000	.0000	.0000	.0000	.0001	.0008	.0048	.0165	.0408
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0027	.0098	.0256
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0023	.0087	.0231

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 6  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9270	.9118	.8982	.8858	.8744	.8636	.8535	.8439	.8347	.8259	.8175	.8094	.8016	.7941
2	.9221	.9059	.8914	.8782	.8660	.8545	.8437	.8335	.8237	.8144	.8054	.7968	.7885	.7805
3	.9172	.9000	.8846	.8706	.8576	.8454	.8340	.8231	.8128	.8029	.7934	.7843	.7755	.7670
4	.9123	.8941	.8778	.8629	.8492	.8363	.8241	.8127	.8017	.7913	.7813	.7716	.7623	.7534
5	.9075	.8883	.8710	.8553	.8407	.8271	.8143	.8022	.7907	.7797	.7691	.7590	.7492	.7398
6	.9027	.8824	.8642	.8477	.8323	.8180	.8045	.7918	.7797	.7681	.7570	.7463	.7361	.7262
7	.8979	.8766	.8575	.8400	.8239	.8089	.7947	.7814	.7686	.7565	.7449	.7337	.7230	.7126
8	.8932	.8707	.8507	.8324	.8155	.7998	.7850	.7709	.7576	.7449	.7328	.7211	.7099	.6991
9	.8884	.8649	.8440	.8248	.8072	.7907	.7752	.7605	.7466	.7334	.7207	.7085	.6969	.6856
10	.8837	.8592	.8372	.8172	.7988	.7816	.7654	.7501	.7356	.7218	.7086	.6960	.6838	.6721
11	.8790	.8534	.8305	.8097	.7904	.7725	.7557	.7398	.7247	.7103	.6966	.6835	.6708	.6587
12	.8744	.8477	.8238	.8021	.7821	.7634	.7459	.7294	.7137	.6988	.6846	.6709	.6579	.6453
13	.8697	.8419	.8171	.7945	.7737	.7543	.7361	.7190	.7027	.6873	.6725	.6584	.6449	.6320
14	.8650	.8362	.8104	.7870	.7653	.7452	.7263	.7086	.6917	.6757	.6605	.6460	.6320	.6186
15	.8604	.8305	.8037	.7794	.7570	.7361	.7165	.6981	.6807	.6642	.6485	.6335	.6191	.6053

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
16	.8558	.8247	.7970	.7718	.7486	.7270	.7068	.6877	.6698	.6527	.6365	.6210	.6062	.5921
17	.8512	.8190	.7903	.7642	.7402	.7178	.6970	.6773	.6588	.6412	.6245	.6086	.5934	.5789
18	.8466	.8133	.7836	.7566	.7318	.7087	.6871	.6669	.6478	.6297	.6125	.5962	.5806	.5656
19	.8421	.8076	.7769	.7490	.7233	.6995	.6773	.6564	.6368	.6182	.6005	.5838	.5678	.5525
20	.8375	.8019	.7702	.7414	.7149	.6904	.6675	.6460	.6258	.6067	.5886	.5714	.5550	.5393
21	.8329	.7962	.7635	.7337	.7064	.6812	.6576	.6355	.6148	.5951	.5766	.5589	.5422	.5262
22	.8284	.7905	.7567	.7261	.6979	.6719	.6477	.6250	.6037	.5836	.5646	.5465	.5294	.5130
23	.8238	.7848	.7500	.7184	.6894	.6627	.6378	.6145	.5927	.5721	.5526	.5341	.5166	.4999
24	.8193	.7791	.7432	.7107	.6809	.6534	.6278	.6040	.5816	.5605	.5406	.5217	.5038	.4868
25	.8148	.7733	.7364	.7030	.6723	.6441	.6179	.5934	.5705	.5489	.5285	.5093	.4910	.4736
26	.8103	.7676	.7296	.6952	.6637	.6347	.6079	.5828	.5593	.5372	.5164	.4968	.4782	.4605
27	.8057	.7618	.7228	.6874	.6551	.6254	.5978	.5721	.5481	.5256	.5044	.4843	.4653	.4473
28	.8012	.7561	.7159	.6796	.6465	.6160	.5877	.5615	.5369	.5139	.4922	.4718	.4524	.4340
29	.7967	.7503	.7091	.6718	.6378	.6065	.5776	.5508	.5257	.5022	.4801	.4592	.4395	.4208
30	.7922	.7446	.7022	.6639	.6291	.5970	.5675	.5400	.5144	.4904	.4678	.4466	.4265	.4075
31	.7878	.7388	.6953	.6561	.6203	.5876	.5573	.5292	.5031	.4786	.4556	.4340	.4135	.3941
32	.7833	.7331	.6884	.6481	.6115	.5780	.5470	.5184	.4917	.4667	.4433	.4212	.4004	.3807
33	.7789	.7273	.6815	.6402	.6027	.5684	.5368	.5075	.4802	.4548	.4309	.4084	.3872	.3672
34	.7744	.7215	.6745	.6322	.5938	.5587	.5264	.4965	.4687	.4427	.4184	.3955	.3739	.3536
35	.7700	.7157	.6676	.6242	.5849	.5490	.5160	.4854	.4571	.4306	.4058	.3825	.3606	.3399
36	.7656	.7099	.6606	.6162	.5759	.5392	.5054	.4743	.4453	.4183	.3930	.3694	.3471	.3262
37	.7612	.7042	.6536	.6081	.5669	.5294	.4949	.4630	.4335	.4059	.3802	.3562	.3336	.3126
38	.7568	.6984	.6465	.6000	.5579	.5194	.4842	.4517	.4215	.3935	.3673	.3429	.3202	.2990
39	.7525	.6926	.6395	.5919	.5488	.5095	.4735	.4403	.4095	.3810	.3544	.3298	.3068	.2855
40	.7482	.6869	.6325	.5838	.5397	.4995	.4627	.4288	.3975	.3685	.3416	.3167	.2936	.2721
41	.7440	.6813	.6256	.5757	.5306	.4895	.4519	.4174	.3855	.3560	.3288	.3037	.2805	.2590
42	.7399	.6757	.6187	.5676	.5215	.4795	.4412	.4059	.3735	.3436	.3162	.2909	.2675	.2460
43	.7358	.6701	.6118	.5596	.5124	.4696	.4304	.3945	.3616	.3314	.3037	.2782	.2548	.2334
44	.7318	.6647	.6051	.5516	.5034	.4596	.4196	.3831	.3498	.3192	.2913	.2657	.2424	.2210
45	.7279	.6593	.5983	.5437	.4944	.4497	.4089	.3718	.3380	.3072	.2791	.2535	.2301	.2088
46	.7241	.6540	.5917	.5358	.4854	.4397	.3983	.3606	.3264	.2953	.2671	.2414	.2181	.1970
47	.7204	.6488	.5851	.5279	.4764	.4298	.3877	.3495	.3149	.2835	.2552	.2296	.2064	.1855
48	.7168	.6436	.5785	.5201	.4675	.4200	.3771	.3384	.3034	.2719	.2435	.2179	.1949	.1742
49	.7132	.6385	.5720	.5122	.4585	.4101	.3666	.3274	.2921	.2604	.2320	.2065	.1837	.1632
50	.7097	.6335	.5655	.5044	.4496	.4003	.3561	.3164	.2809	.2491	.2206	.1953	.1727	.1526
51	.7064	.6286	.5590	.4967	.4407	.3906	.3457	.3056	.2698	.2379	.2095	.1843	.1620	.1422
52	.7031	.6237	.5526	.4889	.4319	.3809	.3354	.2948	.2588	.2268	.1986	.1736	.1516	.1322
53	.6999	.6189	.5463	.4813	.4231	.3712	.3251	.2841	.2479	.2160	.1878	.1631	.1414	.1225
54	.6968	.6142	.5401	.4736	.4144	.3616	.3149	.2736	.2372	.2053	.1773	.1529	.1316	.1131
55	.6938	.6096	.5339	.4661	.4057	.3521	.3048	.2631	.2266	.1947	.1670	.1429	.1220	.1040
56	.6909	.6051	.5278	.4586	.3971	.3426	.2947	.2527	.2161	.1843	.1568	.1331	.1128	.0953
57	.6882	.6006	.5218	.4512	.3885	.3332	.2848	.2425	.2058	.1742	.1470	.1237	.1038	.0869
58	.6855	.5963	.5159	.4439	.3801	.3239	.2749	.2323	.1956	.1642	.1373	.1145	.0952	.0789
59	.6830	.5922	.5101	.4367	.3717	.3147	.2651	.2223	.1856	.1543	.1279	.1055	.0868	.0712
60	.6806	.5882	.5045	.4296	.3634	.3056	.2554	.2124	.1758	.1447	.1187	.0969	.0789	.0640
61	.6783	.5843	.4990	.4226	.3553	.2965	.2459	.2026	.1660	.1353	.1098	.0886	.0712	.0570
62	.6762	.5806	.4936	.4158	.3472	.2876	.2364	.1930	.1565	.1262	.1011	.0806	.0640	.0505
63	.6742	.5771	.4885	.4091	.3393	.2788	.2271	.1835	.1472	.1172	.0928	.0730	.0571	.0444
64	.6724	.5738	.4835	.4026	.3315	.2701	.2179	.1742	.1380	.1085	.0847	.0657	.0506	.0388
65	.6708	.5706	.4787	.3962	.3238	.2615	.2088	.1650	.1291	.1001	.0770	.0587	.0445	.0335
66	.6693	.5677	.4741	.3900	.3163	.2530	.1998	.1559	.1203	.0919	.0696	.0522	.0388	.0287
67	.6680	.5650	.4698	.3840	.3089	.2447	.1910	.1471	.1118	.0840	.0625	.0460	.0336	.0243
68	.6668	.5625	.4656	.3782	.3017	.2365	.1823	.1384	.1036	.0765	.0558	.0402	.0287	.0203
69	.6659	.5603	.4617	.3726	.2946	.2283	.1737	.1299	.0955	.0692	.0494	.0349	.0243	.0168
70	.6650	.5582	.4581	.3672	.2877	.2204	.1653	.1215	.0877	.0622	.0435	.0299	.0203	.0137

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
71	.6643	.5564	.4546	.3619	.2807	.2124	.1568	.1132	.0800	.0555	.0378	.0253	.0167	.0109
72	.6638	.5549	.4515	.3570	.2743	.2048	.1488	.1054	.0729	.0493	.0327	.0213	.0136	.0086
73	.6634	.5536	.4488	.3525	.2682	.1976	.1413	.0981	.0664	.0438	.0282	.0178	.0111	.0067
74	.6632	.5529	.4471	.3497	.2643	.1930	.1364	.0935	.0622	.0404	.0255	.0158	.0096	.0057

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 6  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0385	.0798	.1237	.1695	.2641	.3614	.4602	.5602	
2	.0000	.0369	.0772	.1205	.1657	.2592	.3554	.4534	.5526	
3	.0000	.0354	.0748	.1174	.1620	.2544	.3496	.4466	.5450	
4	.0000	.0339	.0724	.1143	.1583	.2495	.3437	.4398	.5373	
5	.0000	.0324	.0701	.1114	.1546	.2447	.3378	.4330	.5297	
6	.0000	.0310	.0678	.1084	.1510	.2399	.3320	.4262	.5220	
7	.0000	.0296	.0657	.1055	.1474	.2351	.3261	.4194	.5144	
8	.0000	.0283	.0635	.1026	.1438	.2303	.3203	.4127	.5068	
9	.0000	.0270	.0615	.0998	.1403	.2256	.3145	.4059	.4992	
10	.0000	.0258	.0594	.0970	.1368	.2209	.3087	.3992	.4916	
11	.0000	.0246	.0574	.0942	.1334	.2162	.3030	.3925	.4840	
12	.0000	.0235	.0554	.0915	.1300	.2115	.2972	.3858	.4765	
13	.0000	.0224	.0535	.0888	.1265	.2069	.2915	.3791	.4689	
14	.0000	.0214	.0516	.0861	.1232	.2022	.2858	.3724	.4613	
15	.0000	.0203	.0497	.0834	.1198	.1976	.2800	.3657	.4537	
16	.0000	.0193	.0479	.0808	.1164	.1930	.2743	.3590	.4462	
17	.0000	.0184	.0461	.0782	.1131	.1884	.2686	.3523	.4386	
18	.0000	.0174	.0443	.0756	.1098	.1838	.2629	.3456	.4310	
19	.0000	.0165	.0425	.0731	.1066	.1792	.2572	.3389	.4234	
20	.0000	.0157	.0408	.0706	.1033	.1747	.2515	.3322	.4158	
21	.0000	.0148	.0391	.0681	.1001	.1701	.2458	.3254	.4081	
22	.0000	.0140	.0374	.0656	.0968	.1656	.2401	.3187	.4004	
23	.0000	.0132	.0358	.0631	.0936	.1610	.2344	.3119	.3928	
24	.0000	.0124	.0341	.0607	.0904	.1565	.2286	.3052	.3850	
25	.0000	.0117	.0325	.0583	.0873	.1520	.2229	.2984	.3773	
26	.0000	.0109	.0310	.0559	.0841	.1474	.2172	.2916	.3696	
27	.0000	.0102	.0294	.0536	.0810	.1429	.2114	.2847	.3618	
28	.0000	.0095	.0279	.0512	.0779	.1384	.2057	.2779	.3540	
29	.0000	.0089	.0264	.0489	.0749	.1339	.1999	.2710	.3462	
30	.0000	.0083	.0250	.0467	.0718	.1294	.1942	.2642	.3383	
31	.0000	.0077	.0236	.0444	.0688	.1250	.1884	.2573	.3304	
32	.0000	.0071	.0222	.0422	.0658	.1205	.1826	.2504	.3225	
33	.0000	.0065	.0208	.0401	.0628	.1160	.1769	.2435	.3146	
34	.0000	.0060	.0195	.0379	.0599	.1116	.1711	.2365	.3066	
35	.0000	.0055	.0182	.0358	.0570	.1072	.1653	.2295	.2986	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
36	.0000	.0050	.0170	.0338	.0541	.1027	.1595	.2225	.2906
37	.0000	.0045	.0158	.0317	.0512	.0984	.1537	.2155	.2825
38	.0000	.0041	.0146	.0298	.0484	.0940	.1480	.2085	.2744
39	.0000	.0037	.0135	.0278	.0457	.0897	.1422	.2015	.2662
40	.0000	.0033	.0124	.0259	.0430	.0854	.1365	.1945	.2581
41	.0000	.0030	.0114	.0241	.0404	.0812	.1308	.1876	.2500
42	.0000	.0026	.0104	.0224	.0378	.0770	.1252	.1807	.2420
43	.0000	.0023	.0095	.0207	.0353	.0730	.1197	.1738	.2340
44	.0000	.0021	.0086	.0191	.0330	.0690	.1143	.1670	.2260
45	.0000	.0018	.0078	.0176	.0306	.0651	.1089	.1603	.2181
46	.0000	.0016	.0070	.0161	.0284	.0613	.1036	.1537	.2102
47	.0000	.0014	.0063	.0147	.0262	.0576	.0984	.1470	.2023
48	.0000	.0012	.0056	.0134	.0242	.0540	.0932	.1405	.1944
49	.0000	.0010	.0050	.0121	.0222	.0504	.0881	.1339	.1866
50	.0000	.0009	.0044	.0109	.0202	.0469	.0831	.1274	.1788
51	.0000	.0007	.0039	.0098	.0184	.0436	.0782	.1210	.1710
52	.0000	.0006	.0034	.0087	.0167	.0403	.0733	.1146	.1633
53	.0000	.0005	.0029	.0077	.0150	.0371	.0685	.1083	.1556
54	.0000	.0004	.0025	.0068	.0134	.0340	.0638	.1020	.1480
55	.0000	.0003	.0021	.0059	.0119	.0310	.0592	.0958	.1405
56	.0000	.0003	.0018	.0051	.0105	.0281	.0546	.0897	.1330
57	.0000	.0002	.0015	.0044	.0092	.0253	.0502	.0837	.1256
58	.0000	.0002	.0012	.0037	.0080	.0227	.0459	.0778	.1183
59	.0000	.0001	.0010	.0031	.0069	.0202	.0418	.0721	.1111
60	.0000	.0001	.0008	.0026	.0058	.0178	.0378	.0664	.1040
61	.0000	.0001	.0006	.0021	.0049	.0155	.0339	.0609	.0970
62	.0000	.0001	.0005	.0017	.0041	.0134	.0302	.0556	.0902
63	.0000	.0000	.0004	.0013	.0033	.0114	.0267	.0504	.0835
64	.0000	.0000	.0003	.0010	.0026	.0096	.0233	.0455	.0770
65	.0000	.0000	.0002	.0008	.0021	.0080	.0202	.0407	.0706
66	.0000	.0000	.0001	.0006	.0016	.0065	.0173	.0361	.0644
67	.0000	.0000	.0001	.0004	.0012	.0052	.0146	.0317	.0584
68	.0000	.0000	.0001	.0003	.0008	.0040	.0121	.0276	.0526
69	.0000	.0000	.0000	.0002	.0006	.0030	.0098	.0237	.0470
70	.0000	.0000	.0000	.0001	.0004	.0022	.0078	.0200	.0416
71	.0000	.0000	.0000	.0000	.0002	.0015	.0060	.0165	.0363
72	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0135	.0314
73	.0000	.0000	.0000	.0000	.0000	.0006	.0032	.0107	.0269
74	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0091	.0241

Loss-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 6  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7478	.6863	.6317	.5827	.5383	.5001	.4694	.4443	.4235	.4062	.3915	.3791	.3688	.3605
41	\$120	.7435	.6806	.6247	.5746	.5296	.4926	.4626	.4380	.4176	.4005	.3861	.3741	.3646	.3570
42	\$120	.7394	.6750	.6178	.5665	.5218	.4857	.4562	.4319	.4118	.3949	.3809	.3697	.3608	.3537
43	\$120	.7354	.6695	.6110	.5586	.5147	.4791	.4500	.4260	.4061	.3895	.3762	.3657	.3574	.3508
44	\$120	.7314	.6640	.6042	.5514	.5081	.4729	.4440	.4202	.4005	.3845	.3720	.3621	.3542	.3480
45	\$120	.7275	.6587	.5975	.5448	.5018	.4668	.4381	.4145	.3952	.3800	.3681	.3587	.3513	.3455
46	\$120	.7237	.6534	.5910	.5386	.4958	.4609	.4323	.4089	.3903	.3758	.3644	.3555	.3485	.3432
47	\$120	.7200	.6481	.5850	.5327	.4900	.4551	.4266	.4037	.3858	.3718	.3609	.3525	.3460	.3411
48	\$120	.7164	.6430	.5794	.5270	.4843	.4493	.4211	.3988	.3815	.3680	.3576	.3497	.3438	.3393
49	\$120	.7128	.6380	.5741	.5215	.4786	.4437	.4159	.3942	.3774	.3645	.3546	.3473	.3417	.3377
50	\$120	.7094	.6333	.5690	.5162	.4730	.4382	.4109	.3898	.3735	.3611	.3519	.3450	.3399	.3362
	\$250	.7096	.6333	.5652	.5040	.4491	.4002	.3581	.3224	.2922	.2666	.2450	.2266	.2112	.1982
51	\$120	.7060	.6289	.5641	.5109	.4675	.4330	.4062	.3855	.3698	.3580	.3493	.3429	.3382	.3348
	\$250	.7062	.6284	.5587	.4963	.4403	.3913	.3495	.3142	.2843	.2591	.2378	.2199	.2051	.1928
52	\$120	.7027	.6247	.5593	.5056	.4622	.4280	.4016	.3814	.3663	.3551	.3469	.3409	.3367	.3337
	\$250	.7030	.6235	.5523	.4885	.4318	.3829	.3413	.3062	.2767	.2518	.2309	.2136	.1994	.1878
53	\$120	.6996	.6207	.5547	.5004	.4570	.4232	.3971	.3775	.3630	.3524	.3447	.3392	.3353	.3326
	\$250	.6998	.6187	.5460	.4809	.4237	.3748	.3334	.2985	.2691	.2446	.2242	.2076	.1940	.1831
54	\$120	.6967	.6169	.5501	.4954	.4521	.4184	.3929	.3738	.3599	.3498	.3427	.3376	.3341	.3317
	\$250	.6967	.6140	.5398	.4735	.4160	.3670	.3256	.2908	.2617	.2376	.2179	.2019	.1890	.1787
55	\$120	.6939	.6132	.5455	.4905	.4472	.4139	.3888	.3703	.3570	.3475	.3408	.3362	.3331	.3309
	\$250	.6937	.6094	.5336	.4665	.4086	.3594	.3180	.2833	.2545	.2310	.2119	.1966	.1843	.1746
56	\$120	.6913	.6096	.5411	.4858	.4425	.4094	.3849	.3670	.3542	.3453	.3391	.3349	.3321	.3303
	\$250	.6908	.6049	.5276	.4597	.4014	.3520	.3104	.2759	.2476	.2247	.2062	.1915	.1799	.1707
57	\$120	.6889	.6061	.5368	.4812	.4378	.4051	.3811	.3638	.3517	.3433	.3376	.3338	.3313	.3297
	\$250	.6881	.6005	.5219	.4532	.3944	.3446	.3030	.2688	.2410	.2186	.2008	.1867	.1757	.1672
58	\$120	.6866	.6027	.5327	.4766	.4334	.4010	.3775	.3608	.3493	.3414	.3362	.3328	.3306	.3292
	\$250	.6854	.5962	.5164	.4469	.3874	.3374	.2958	.2619	.2345	.2127	.1956	.1822	.1719	.1640
	\$500	.6855	.5963	.5158	.4438	.3799	.3237	.2749	.2330	.1973	.1672	.1418	.1207	.1032	.0887
59	\$120	.6845	.5994	.5286	.4722	.4290	.3970	.3740	.3580	.3470	.3397	.3350	.3319	.3299	.3287
	\$250	.6829	.5921	.5111	.4407	.3806	.3302	.2888	.2552	.2283	.2071	.1907	.1780	.1683	.1610
	\$500	.6829	.5921	.5100	.4365	.3715	.3146	.2655	.2236	.1881	.1583	.1335	.1130	.0962	.0824
60	\$120	.6824	.5962	.5247	.4679	.4248	.3931	.3707	.3553	.3450	.3382	.3338	.3311	.3294	.3284
	\$250	.6805	.5883	.5061	.4347	.3739	.3233	.2819	.2486	.2223	.2018	.1860	.1740	.1650	.1583
	\$500	.6805	.5881	.5044	.4295	.3633	.3058	.2563	.2144	.1791	.1498	.1255	.1057	.0895	.0765
61	\$120	.6805	.5932	.5208	.4637	.4206	.3894	.3676	.3528	.3431	.3368	.3328	.3304	.3289	.3281
	\$250	.6782	.5847	.5013	.4288	.3674	.3165	.2752	.2423	.2166	.1967	.1816	.1704	.1620	.1559
	\$500	.6783	.5843	.4989	.4225	.3553	.2971	.2473	.2054	.1703	.1414	.1178	.0987	.0833	.0710
62	\$120	.6787	.5903	.5171	.4596	.4166	.3858	.3646	.3505	.3413	.3355	.3320	.3298	.3285	.3278
	\$250	.6762	.5813	.4966	.4231	.3610	.3099	.2687	.2362	.2110	.1919	.1775	.1669	.1592	.1537
	\$500	.6762	.5806	.4935	.4158	.3475	.2886	.2385	.1965	.1618	.1334	.1104	.0920	.0774	.0659
63	\$120	.6770	.5875	.5135	.4556	.4128	.3824	.3618	.3483	.3397	.3344	.3312	.3293	.3282	.3276
	\$250	.6743	.5780	.4920	.4175	.3548	.3034	.2623	.2303	.2057	.1873	.1737	.1638	.1567	.1517
	\$500	.6742	.5771	.4884	.4092	.3398	.2802	.2298	.1879	.1534	.1256	.1033	.0856	.0718	.0611
64	\$120	.6754	.5848	.5100	.4518	.4090	.3791	.3591	.3462	.3382	.3334	.3305	.3289	.3279	.3274
	\$250	.6726	.5750	.4877	.4121	.3487	.2970	.2562	.2245	.2007	.1830	.1701	.1609	.1545	.1500
	\$500	.6724	.5737	.4835	.4028	.3323	.2720	.2213	.1794	.1453	.1181	.0965	.0797	.0667	.0568
	\$1,000	.6724	.5738	.4835	.4026	.3315	.2700	.2178	.1741	.1380	.1086	.0848	.0659	.0509	.0392

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
65	\$120	.6740	.5823	.5066	.4480	.4054	.3760	.3566	.3443	.3369	.3325	.3299	.3285	.3277	.3273
	\$250	.6710	.5722	.4835	.4068	.3427	.2909	.2502	.2190	.1958	.1789	.1668	.1583	.1524	.1484
	\$500	.6708	.5706	.4788	.3967	.3250	.2639	.2129	.1711	.1375	.1108	.0900	.0740	.0619	.0528
	\$1,000	.6708	.5706	.4787	.3962	.3238	.2614	.2088	.1650	.1291	.1002	.0772	.0590	.0449	.0340
66	\$120	.6726	.5799	.5033	.4444	.4019	.3730	.3542	.3426	.3357	.3317	.3294	.3282	.3275	.3272
	\$250	.6696	.5695	.4795	.4017	.3369	.2848	.2443	.2138	.1913	.1751	.1637	.1559	.1506	.1471
	\$500	.6693	.5677	.4743	.3907	.3179	.2561	.2047	.1630	.1298	.1039	.0839	.0688	.0575	.0492
	\$1,000	.6693	.5677	.4741	.3900	.3163	.2530	.1998	.1560	.1205	.0921	.0699	.0526	.0393	.0293
67	\$120	.6714	.5776	.5001	.4409	.3985	.3701	.3520	.3410	.3346	.3310	.3290	.3279	.3274	.3271
	\$250	.6684	.5671	.4757	.3968	.3313	.2790	.2387	.2087	.1869	.1715	.1609	.1538	.1490	.1460
	\$500	.6680	.5651	.4701	.3850	.3109	.2483	.1967	.1552	.1225	.0973	.0781	.0639	.0535	.0459
	\$1,000	.6680	.5650	.4698	.3840	.3089	.2447	.1910	.1472	.1120	.0843	.0629	.0465	.0342	.0250
68	\$120	.6703	.5754	.4971	.4375	.3953	.3674	.3499	.3395	.3336	.3303	.3286	.3277	.3273	.3271
	\$250	.6673	.5648	.4721	.3920	.3258	.2733	.2333	.2038	.1828	.1682	.1584	.1519	.1477	.1450
	\$500	.6668	.5626	.4661	.3794	.3042	.2408	.1889	.1475	.1154	.0909	.0727	.0594	.0498	.0430
	\$1,000	.6668	.5625	.4656	.3782	.3017	.2365	.1824	.1386	.1038	.0768	.0563	.0409	.0295	.0212
69	\$120	.6693	.5733	.4942	.4342	.3922	.3648	.3480	.3382	.3327	.3298	.3283	.3276	.3272	.3270
	\$250	.6664	.5627	.4687	.3874	.3204	.2678	.2280	.1992	.1790	.1652	.1561	.1502	.1465	.1442
	\$500	.6659	.5604	.4623	.3741	.2975	.2333	.1812	.1401	.1085	.0849	.0676	.0552	.0465	.0405
	\$1,000	.6659	.5603	.4617	.3726	.2946	.2284	.1739	.1301	.0959	.0697	.0500	.0356	.0252	.0177
70	\$120	.6683	.5714	.4914	.4310	.3893	.3624	.3462	.3370	.3320	.3294	.3280	.3274	.3271	.3270
	\$250	.6656	.5608	.4654	.3829	.3152	.2624	.2230	.1948	.1754	.1624	.1540	.1487	.1454	.1435
	\$500	.6650	.5584	.4588	.3690	.2911	.2261	.1737	.1329	.1020	.0792	.0629	.0514	.0436	.0382
	\$1,000	.6650	.5582	.4581	.3672	.2877	.2205	.1655	.1219	.0882	.0628	.0442	.0308	.0213	.0147
71	\$120	.6675	.5695	.4886	.4279	.3864	.3601	.3445	.3359	.3313	.3290	.3278	.3273	.3270	.3269
	\$250	.6649	.5590	.4623	.3785	.3101	.2571	.2180	.1905	.1719	.1598	.1521	.1474	.1445	.1429
	\$500	.6644	.5566	.4554	.3639	.2847	.2188	.1662	.1257	.0955	.0737	.0584	.0479	.0409	.0363
	\$1,000	.6643	.5564	.4546	.3619	.2808	.2125	.1571	.1136	.0806	.0562	.0386	.0263	.0178	.0121
72	\$120	.6668	.5678	.4861	.4251	.3837	.3580	.3430	.3349	.3307	.3286	.3276	.3272	.3270	.3269
	\$250	.6643	.5575	.4595	.3745	.3053	.2521	.2135	.1866	.1689	.1575	.1505	.1463	.1438	.1424
	\$500	.6638	.5552	.4525	.3594	.2787	.2120	.1592	.1191	.0897	.0688	.0545	.0450	.0387	.0347
	\$1,000	.6638	.5549	.4515	.3571	.2744	.2050	.1492	.1060	.0736	.0502	.0337	.0224	.0149	.0099
73	\$120	.6662	.5663	.4837	.4224	.3813	.3561	.3417	.3341	.3302	.3284	.3275	.3271	.3270	.3269
	\$250	.6639	.5562	.4569	.3708	.3009	.2476	.2093	.1831	.1661	.1555	.1491	.1454	.1433	.1421
	\$500	.6635	.5539	.4498	.3552	.2731	.2056	.1526	.1129	.0843	.0644	.0511	.0424	.0369	.0334
	\$1,000	.6634	.5536	.4488	.3526	.2684	.1979	.1418	.0988	.0672	.0448	.0294	.0191	.0124	.0082
74	\$120	.6658	.5654	.4823	.4208	.3798	.3549	.3409	.3336	.3299	.3282	.3274	.3271	.3269	.3269
	\$250	.6637	.5555	.4554	.3685	.2981	.2447	.2066	.1810	.1645	.1543	.1483	.1449	.1429	.1419
	\$500	.6633	.5532	.4483	.3525	.2696	.2016	.1485	.1090	.0810	.0618	.0490	.0409	.0358	.0327
	\$1,000	.6632	.5529	.4472	.3498	.2645	.1934	.1370	.0943	.0632	.0415	.0268	.0172	.0110	.0072

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 6  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0033	.0123	.0258	.0427	.0849	.1358	.1936	.2570
41	\$120	.0000	.0029	.0113	.0240	.0401	.0807	.1302	.1867	.2489
42	\$120	.0000	.0026	.0103	.0222	.0376	.0766	.1246	.1798	.2409

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
43	\$120	.0000	.0023	.0094	.0206	.0351	.0725	.1191	.1729	.2330
44	\$120	.0000	.0020	.0085	.0190	.0327	.0686	.1136	.1661	.2258
45	\$120	.0000	.0018	.0077	.0174	.0304	.0647	.1083	.1594	.2191
46	\$120	.0000	.0016	.0070	.0160	.0282	.0609	.1030	.1530	.2129
47	\$120	.0000	.0014	.0062	.0146	.0260	.0572	.0977	.1470	.2070
48	\$120	.0000	.0012	.0056	.0132	.0240	.0535	.0926	.1414	.2014
49	\$120	.0000	.0010	.0049	.0120	.0220	.0500	.0876	.1360	.1959
50	\$120	.0000	.0009	.0044	.0108	.0201	.0465	.0829	.1310	.1905
	\$250	.0000	.0009	.0044	.0109	.0202	.0468	.0829	.1271	.1784
51	\$120	.0000	.0007	.0038	.0097	.0182	.0432	.0784	.1261	.1852
	\$250	.0000	.0007	.0038	.0097	.0183	.0434	.0780	.1207	.1706
52	\$120	.0000	.0006	.0033	.0086	.0165	.0399	.0743	.1213	.1800
	\$250	.0000	.0006	.0033	.0087	.0166	.0401	.0731	.1143	.1629
53	\$120	.0000	.0005	.0029	.0076	.0148	.0368	.0703	.1166	.1748
	\$250	.0000	.0005	.0029	.0077	.0149	.0370	.0683	.1080	.1553
54	\$120	.0000	.0004	.0025	.0067	.0133	.0338	.0664	.1120	.1698
	\$250	.0000	.0004	.0025	.0067	.0134	.0339	.0636	.1017	.1479
55	\$120	.0000	.0003	.0021	.0058	.0118	.0311	.0627	.1075	.1649
	\$250	.0000	.0003	.0021	.0059	.0119	.0309	.0590	.0956	.1408
56	\$120	.0000	.0003	.0018	.0050	.0104	.0285	.0591	.1031	.1602
	\$250	.0000	.0003	.0018	.0051	.0105	.0280	.0545	.0896	.1341
57	\$120	.0000	.0002	.0015	.0043	.0091	.0261	.0556	.0988	.1555
	\$250	.0000	.0002	.0015	.0044	.0092	.0252	.0501	.0838	.1276
58	\$120	.0000	.0002	.0012	.0037	.0079	.0238	.0522	.0946	.1510
	\$250	.0000	.0002	.0012	.0037	.0080	.0226	.0458	.0784	.1212
	\$500	.0000	.0002	.0012	.0037	.0080	.0227	.0459	.0778	.1181
59	\$120	.0000	.0001	.0010	.0031	.0068	.0216	.0490	.0906	.1466
	\$250	.0000	.0001	.0010	.0031	.0068	.0201	.0417	.0731	.1151
	\$500	.0000	.0001	.0010	.0031	.0069	.0201	.0417	.0720	.1109
60	\$120	.0000	.0001	.0008	.0025	.0059	.0196	.0458	.0866	.1423
	\$250	.0000	.0001	.0008	.0026	.0058	.0177	.0379	.0681	.1091
	\$500	.0000	.0001	.0008	.0026	.0058	.0177	.0377	.0663	.1038
61	\$120	.0000	.0001	.0006	.0021	.0050	.0177	.0428	.0828	.1381
	\$250	.0000	.0001	.0006	.0021	.0049	.0154	.0342	.0632	.1032
	\$500	.0000	.0001	.0006	.0021	.0049	.0155	.0338	.0608	.0969
62	\$120	.0000	.0000	.0005	.0017	.0042	.0159	.0399	.0791	.1340
	\$250	.0000	.0001	.0005	.0017	.0040	.0133	.0308	.0585	.0974
	\$500	.0000	.0001	.0005	.0017	.0040	.0134	.0301	.0555	.0901
63	\$120	.0000	.0000	.0003	.0013	.0035	.0142	.0371	.0755	.1300
	\$250	.0000	.0000	.0004	.0013	.0033	.0115	.0276	.0540	.0919
	\$500	.0000	.0000	.0004	.0013	.0033	.0114	.0266	.0504	.0836
64	\$120	.0000	.0000	.0003	.0010	.0029	.0126	.0344	.0719	.1261
	\$250	.0000	.0000	.0003	.0010	.0026	.0097	.0246	.0497	.0864
	\$500	.0000	.0000	.0003	.0010	.0026	.0096	.0233	.0454	.0772
	\$1,000	.0000	.0000	.0003	.0010	.0026	.0096	.0233	.0455	.0769
65	\$120	.0000	.0000	.0002	.0008	.0024	.0111	.0319	.0686	.1224
	\$250	.0000	.0000	.0002	.0008	.0020	.0082	.0218	.0455	.0812
	\$500	.0000	.0000	.0002	.0008	.0020	.0080	.0202	.0407	.0710
	\$1,000	.0000	.0000	.0002	.0008	.0021	.0080	.0202	.0407	.0706
66	\$120	.0000	.0000	.0001	.0006	.0019	.0098	.0295	.0653	.1188
	\$250	.0000	.0000	.0001	.0006	.0016	.0068	.0191	.0415	.0761
	\$500	.0000	.0000	.0001	.0006	.0016	.0065	.0173	.0363	.0651
	\$1,000	.0000	.0000	.0001	.0006	.0016	.0065	.0173	.0361	.0644
67	\$120	.0000	.0000	.0001	.0005	.0016	.0086	.0272	.0621	.1152

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0000	.0001	.0004	.0012	.0056	.0166	.0377	.0711
	\$500	.0000	.0000	.0001	.0004	.0011	.0052	.0146	.0320	.0593
	\$1,000	.0000	.0000	.0001	.0004	.0012	.0052	.0146	.0317	.0584
68	\$120	.0000	.0000	.0001	.0003	.0012	.0075	.0250	.0591	.1118
	\$250	.0000	.0000	.0001	.0003	.0008	.0045	.0144	.0341	.0664
	\$500	.0000	.0000	.0001	.0003	.0008	.0040	.0122	.0280	.0538
	\$1,000	.0000	.0000	.0001	.0003	.0008	.0040	.0121	.0276	.0526
69	\$120	.0000	.0000	.0000	.0002	.0009	.0064	.0229	.0561	.1086
	\$250	.0000	.0000	.0000	.0002	.0006	.0036	.0123	.0306	.0617
	\$500	.0000	.0000	.0000	.0002	.0006	.0030	.0100	.0243	.0485
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0030	.0098	.0237	.0470
70	\$120	.0000	.0000	.0000	.0002	.0007	.0055	.0210	.0533	.1054
	\$250	.0000	.0000	.0000	.0001	.0004	.0028	.0104	.0274	.0573
	\$500	.0000	.0000	.0000	.0001	.0004	.0022	.0080	.0207	.0433
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0022	.0078	.0200	.0416
71	\$120	.0000	.0000	.0000	.0001	.0005	.0047	.0191	.0506	.1023
	\$250	.0000	.0000	.0000	.0001	.0002	.0021	.0086	.0242	.0529
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0062	.0174	.0383
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0015	.0060	.0166	.0363
72	\$120	.0000	.0000	.0000	.0001	.0004	.0040	.0174	.0480	.0994
	\$250	.0000	.0000	.0000	.0000	.0001	.0015	.0071	.0214	.0489
	\$500	.0000	.0000	.0000	.0000	.0001	.0010	.0047	.0144	.0337
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0010	.0044	.0135	.0315
73	\$120	.0000	.0000	.0000	.0000	.0003	.0033	.0159	.0457	.0968
	\$250	.0000	.0000	.0000	.0000	.0001	.0011	.0058	.0189	.0452
	\$500	.0000	.0000	.0000	.0000	.0001	.0006	.0035	.0118	.0295
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0006	.0032	.0108	.0270
74	\$120	.0000	.0000	.0000	.0000	.0002	.0030	.0150	.0443	.0952
	\$250	.0000	.0000	.0000	.0000	.0001	.0009	.0050	.0173	.0429
	\$500	.0000	.0000	.0000	.0000	.0000	.0004	.0028	.0103	.0269
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0091	.0242

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-970 Hazard Group 7 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 7  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8868	.8733	.8613	.8503	.8401	.8306	.8216	.8130	.8049	.7971	.7896	.7824	.7754	.7687
2	.8823	.8680	.8551	.8434	.8325	.8224	.8128	.8037	.7950	.7867	.7787	.7710	.7636	.7565
3	.8779	.8627	.8490	.8366	.8250	.8142	.8040	.7943	.7851	.7763	.7678	.7597	.7519	.7443
4	.8735	.8573	.8429	.8296	.8174	.8059	.7951	.7849	.7751	.7658	.7569	.7482	.7399	.7319
5	.8691	.8520	.8367	.8227	.8098	.7977	.7862	.7754	.7651	.7553	.7459	.7368	.7280	.7196
6	.8648	.8467	.8305	.8158	.8021	.7894	.7774	.7660	.7551	.7448	.7349	.7253	.7161	.7072
7	.8604	.8414	.8244	.8089	.7945	.7811	.7685	.7565	.7451	.7343	.7239	.7139	.7042	.6949
8	.8561	.8361	.8182	.8020	.7869	.7728	.7596	.7471	.7351	.7238	.7129	.7024	.6923	.6826
9	.8517	.8308	.8121	.7950	.7793	.7645	.7507	.7376	.7251	.7132	.7018	.6909	.6804	.6703
10	.8474	.8255	.8060	.7881	.7716	.7563	.7418	.7281	.7151	.7027	.6908	.6794	.6685	.6579

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
11	.8431	.8203	.7998	.7812	.7640	.7480	.7329	.7186	.7051	.6922	.6798	.6680	.6566	.6456
12	.8388	.8150	.7937	.7743	.7564	.7397	.7239	.7091	.6950	.6816	.6688	.6565	.6447	.6333
13	.8345	.8097	.7876	.7674	.7487	.7313	.7150	.6996	.6850	.6710	.6577	.6450	.6328	.6210
14	.8303	.8045	.7814	.7604	.7410	.7230	.7060	.6900	.6749	.6604	.6467	.6335	.6209	.6087
15	.8260	.7992	.7752	.7534	.7333	.7146	.6970	.6804	.6647	.6498	.6356	.6220	.6089	.5964
16	.8217	.7939	.7691	.7465	.7256	.7062	.6880	.6709	.6546	.6392	.6245	.6105	.5970	.5841
17	.8174	.7886	.7629	.7395	.7179	.6978	.6790	.6612	.6445	.6286	.6134	.5989	.5851	.5718
18	.8132	.7833	.7567	.7324	.7101	.6893	.6699	.6516	.6343	.6179	.6023	.5874	.5732	.5595
19	.8089	.7780	.7505	.7254	.7023	.6808	.6608	.6419	.6241	.6072	.5911	.5758	.5612	.5472
20	.8047	.7727	.7442	.7183	.6945	.6723	.6517	.6322	.6139	.5965	.5800	.5643	.5493	.5349
21	.8004	.7674	.7380	.7112	.6866	.6638	.6425	.6225	.6036	.5857	.5688	.5526	.5373	.5226
22	.7962	.7621	.7317	.7041	.6787	.6552	.6333	.6127	.5933	.5749	.5575	.5410	.5253	.5102
23	.7919	.7568	.7254	.6969	.6708	.6466	.6240	.6028	.5829	.5641	.5463	.5294	.5132	.4978
24	.7876	.7514	.7191	.6897	.6628	.6379	.6147	.5930	.5725	.5532	.5350	.5176	.5012	.4854
25	.7834	.7460	.7127	.6825	.6548	.6292	.6054	.5830	.5621	.5423	.5236	.5059	.4890	.4730
26	.7791	.7406	.7063	.6752	.6467	.6204	.5959	.5731	.5516	.5314	.5122	.4941	.4769	.4605
27	.7748	.7352	.6999	.6679	.6386	.6116	.5865	.5631	.5411	.5204	.5008	.4823	.4647	.4480
28	.7705	.7298	.6934	.6606	.6305	.6027	.5770	.5530	.5305	.5093	.4893	.4704	.4524	.4354
29	.7663	.7243	.6870	.6532	.6223	.5938	.5675	.5428	.5198	.4982	.4778	.4584	.4401	.4227
30	.7620	.7189	.6805	.6458	.6141	.5849	.5578	.5326	.5091	.4870	.4661	.4464	.4277	.4100
31	.7577	.7134	.6739	.6383	.6058	.5759	.5482	.5224	.4983	.4757	.4544	.4343	.4153	.3972
32	.7534	.7079	.6674	.6308	.5974	.5668	.5384	.5121	.4874	.4644	.4426	.4221	.4027	.3843
33	.7492	.7024	.6608	.6233	.5891	.5576	.5286	.5017	.4765	.4530	.4308	.4099	.3901	.3714
34	.7449	.6968	.6541	.6156	.5806	.5484	.5187	.4912	.4655	.4414	.4188	.3975	.3773	.3583
35	.7406	.6913	.6475	.6080	.5721	.5391	.5088	.4806	.4543	.4298	.4067	.3850	.3645	.3451
36	.7363	.6857	.6408	.6003	.5634	.5297	.4987	.4699	.4430	.4180	.3945	.3723	.3515	.3318
37	.7320	.6801	.6340	.5925	.5548	.5203	.4885	.4591	.4317	.4061	.3821	.3596	.3384	.3185
38	.7278	.6745	.6272	.5847	.5461	.5107	.4782	.4481	.4202	.3941	.3696	.3467	.3253	.3053
39	.7235	.6689	.6204	.5768	.5373	.5011	.4679	.4371	.4086	.3820	.3571	.3339	.3123	.2921
40	.7193	.6634	.6137	.5690	.5285	.4915	.4575	.4261	.3970	.3698	.3446	.3212	.2994	.2791
41	.7152	.6578	.6069	.5611	.5197	.4818	.4471	.4150	.3853	.3577	.3322	.3085	.2866	.2662
42	.7111	.6524	.6002	.5533	.5109	.4722	.4366	.4039	.3736	.3457	.3199	.2960	.2739	.2534
43	.7071	.6469	.5935	.5455	.5021	.4625	.4262	.3928	.3620	.3337	.3076	.2836	.2614	.2409
44	.7031	.6416	.5869	.5377	.4933	.4528	.4157	.3817	.3505	.3219	.2955	.2713	.2490	.2285
45	.6992	.6363	.5802	.5300	.4845	.4431	.4052	.3707	.3390	.3101	.2835	.2592	.2369	.2164
46	.6954	.6310	.5737	.5222	.4757	.4334	.3948	.3597	.3276	.2984	.2716	.2472	.2249	.2046
47	.6917	.6258	.5671	.5145	.4669	.4237	.3844	.3487	.3163	.2867	.2599	.2354	.2132	.1930
48	.6880	.6206	.5606	.5067	.4581	.4140	.3740	.3378	.3050	.2752	.2482	.2238	.2017	.1817
49	.6844	.6155	.5541	.4990	.4492	.4043	.3637	.3270	.2938	.2638	.2368	.2124	.1904	.1706
50	.6808	.6105	.5477	.4913	.4404	.3946	.3534	.3162	.2827	.2525	.2254	.2011	.1793	.1597
51	.6774	.6055	.5412	.4835	.4317	.3850	.3431	.3054	.2716	.2414	.2143	.1901	.1685	.1492
52	.6740	.6006	.5348	.4758	.4229	.3754	.3328	.2947	.2607	.2303	.2033	.1792	.1579	.1390
53	.6707	.5957	.5285	.4682	.4141	.3658	.3226	.2841	.2498	.2194	.1924	.1686	.1476	.1290
54	.6675	.5909	.5222	.4606	.4054	.3562	.3124	.2735	.2391	.2086	.1818	.1582	.1375	.1193
55	.6644	.5862	.5159	.4530	.3968	.3467	.3023	.2631	.2284	.1980	.1713	.1480	.1277	.1100
56	.6614	.5815	.5097	.4454	.3881	.3372	.2923	.2526	.2179	.1875	.1611	.1381	.1182	.1010
57	.6585	.5770	.5036	.4380	.3795	.3278	.2823	.2423	.2075	.1772	.1510	.1284	.1089	.0923
58	.6556	.5725	.4976	.4306	.3710	.3184	.2723	.2321	.1972	.1671	.1411	.1189	.1000	.0839
59	.6530	.5682	.4917	.4233	.3626	.3091	.2625	.2220	.1871	.1571	.1315	.1098	.0914	.0759
60	.6504	.5640	.4859	.4160	.3542	.2999	.2527	.2120	.1771	.1473	.1221	.1009	.0831	.0682
61	.6480	.5600	.4802	.4089	.3459	.2908	.2430	.2021	.1672	.1377	.1129	.0923	.0751	.0610
62	.6457	.5561	.4747	.4019	.3377	.2817	.2335	.1923	.1575	.1283	.1040	.0840	.0675	.0541
63	.6436	.5524	.4694	.3951	.3296	.2727	.2240	.1826	.1479	.1191	.0954	.0760	.0603	.0476
64	.6416	.5488	.4642	.3883	.3216	.2639	.2146	.1731	.1386	.1102	.0870	.0683	.0534	.0415
65	.6398	.5455	.4592	.3818	.3138	.2551	.2053	.1637	.1294	.1014	.0790	.0611	.0469	.0359

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
66	.6382	.5424	.4544	.3754	.3060	.2464	.1961	.1544	.1204	.0930	.0712	.0542	.0409	.0307
67	.6367	.5395	.4498	.3691	.2984	.2379	.1871	.1453	.1116	.0848	.0638	.0476	.0353	.0260
68	.6354	.5368	.4454	.3631	.2910	.2294	.1781	.1364	.1030	.0769	.0568	.0415	.0301	.0217
69	.6343	.5344	.4413	.3572	.2836	.2210	.1693	.1275	.0946	.0693	.0501	.0358	.0253	.0178
70	.6334	.5322	.4374	.3516	.2764	.2128	.1605	.1189	.0865	.0620	.0438	.0305	.0210	.0144
71	.6326	.5302	.4337	.3460	.2692	.2044	.1517	.1102	.0784	.0548	.0377	.0255	.0171	.0113
72	.6320	.5285	.4304	.3408	.2624	.1965	.1433	.1020	.0709	.0483	.0323	.0212	.0137	.0087
73	.6316	.5271	.4275	.3361	.2560	.1889	.1353	.0942	.0639	.0423	.0274	.0174	.0108	.0066
74	.6314	.5264	.4257	.3331	.2518	.1840	.1301	.0893	.0595	.0386	.0245	.0152	.0092	.0055

Premium-Based Plan, with no Single Loss Limit

Insurance Savings Table  
Hazard Group 7  
Effective October 29, 2010

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0376	.0777	.1202	.1645	.2558	.3493	.4443	.5403
2	.0000	.0361	.0754	.1173	.1610	.2513	.3440	.4381	.5334
3	.0000	.0347	.0731	.1145	.1577	.2469	.3387	.4320	.5266
4	.0000	.0333	.0709	.1117	.1543	.2425	.3333	.4259	.5196
5	.0000	.0319	.0688	.1090	.1510	.2381	.3280	.4197	.5127
6	.0000	.0306	.0668	.1063	.1477	.2338	.3227	.4135	.5058
7	.0000	.0293	.0648	.1036	.1444	.2294	.3174	.4074	.4989
8	.0000	.0281	.0628	.1010	.1411	.2251	.3121	.4012	.4920
9	.0000	.0269	.0609	.0984	.1379	.2207	.3068	.3951	.4850
10	.0000	.0258	.0590	.0958	.1347	.2164	.3015	.3890	.4781
11	.0000	.0247	.0571	.0932	.1315	.2121	.2963	.3828	.4712
12	.0000	.0236	.0553	.0907	.1284	.2078	.2910	.3767	.4643
13	.0000	.0226	.0535	.0882	.1252	.2035	.2857	.3706	.4574
14	.0000	.0216	.0517	.0857	.1221	.1993	.2805	.3644	.4504
15	.0000	.0206	.0499	.0832	.1189	.1950	.2752	.3582	.4434
16	.0000	.0197	.0482	.0808	.1158	.1907	.2699	.3521	.4365
17	.0000	.0187	.0465	.0783	.1127	.1864	.2646	.3459	.4295
18	.0000	.0178	.0448	.0759	.1096	.1822	.2593	.3397	.4224
19	.0000	.0170	.0431	.0735	.1066	.1779	.2540	.3335	.4154
20	.0000	.0161	.0415	.0711	.1035	.1737	.2487	.3272	.4083
21	.0000	.0153	.0398	.0687	.1005	.1694	.2434	.3210	.4012
22	.0000	.0145	.0382	.0664	.0974	.1652	.2381	.3147	.3941
23	.0000	.0137	.0366	.0641	.0944	.1609	.2328	.3084	.3869
24	.0000	.0130	.0351	.0617	.0914	.1566	.2274	.3021	.3797
25	.0000	.0122	.0335	.0594	.0884	.1524	.2220	.2957	.3725
26	.0000	.0115	.0320	.0572	.0854	.1481	.2166	.2893	.3652
27	.0000	.0108	.0305	.0549	.0824	.1438	.2112	.2829	.3579
28	.0000	.0101	.0290	.0527	.0794	.1395	.2058	.2764	.3506
29	.0000	.0095	.0276	.0504	.0765	.1353	.2003	.2700	.3432
30	.0000	.0088	.0262	.0482	.0736	.1310	.1949	.2635	.3358
31	.0000	.0082	.0248	.0461	.0706	.1267	.1894	.2569	.3283
32	.0000	.0076	.0234	.0439	.0677	.1224	.1839	.2504	.3208

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
33	.0000	.0071	.0221	.0418	.0649	.1182	.1784	.2438	.3133
34	.0000	.0065	.0207	.0397	.0620	.1139	.1728	.2371	.3056
35	.0000	.0060	.0195	.0376	.0592	.1096	.1673	.2305	.2980
36	.0000	.0055	.0182	.0356	.0563	.1053	.1617	.2238	.2903
37	.0000	.0050	.0170	.0336	.0535	.1010	.1561	.2170	.2825
38	.0000	.0046	.0158	.0316	.0508	.0968	.1505	.2102	.2747
39	.0000	.0041	.0146	.0296	.0480	.0925	.1449	.2034	.2668
40	.0000	.0037	.0135	.0277	.0453	.0883	.1394	.1967	.2590
41	.0000	.0034	.0125	.0259	.0427	.0842	.1338	.1899	.2511
42	.0000	.0030	.0115	.0241	.0402	.0801	.1284	.1832	.2433
43	.0000	.0027	.0105	.0224	.0377	.0761	.1229	.1765	.2355
44	.0000	.0024	.0096	.0208	.0352	.0721	.1176	.1699	.2277
45	.0000	.0021	.0087	.0192	.0329	.0682	.1123	.1632	.2200
46	.0000	.0019	.0079	.0176	.0306	.0644	.1070	.1567	.2122
47	.0000	.0016	.0071	.0162	.0284	.0607	.1018	.1501	.2045
48	.0000	.0014	.0064	.0148	.0262	.0570	.0966	.1436	.1967
49	.0000	.0012	.0057	.0134	.0241	.0534	.0915	.1371	.1890
50	.0000	.0010	.0051	.0122	.0221	.0498	.0865	.1307	.1813
51	.0000	.0009	.0045	.0109	.0202	.0464	.0815	.1242	.1735
52	.0000	.0007	.0039	.0098	.0184	.0430	.0766	.1178	.1658
53	.0000	.0006	.0034	.0087	.0166	.0397	.0717	.1115	.1582
54	.0000	.0005	.0029	.0077	.0149	.0365	.0669	.1052	.1506
55	.0000	.0004	.0025	.0068	.0133	.0334	.0622	.0989	.1430
56	.0000	.0003	.0021	.0059	.0118	.0304	.0575	.0927	.1354
57	.0000	.0003	.0018	.0051	.0104	.0275	.0530	.0866	.1280
58	.0000	.0002	.0015	.0043	.0091	.0246	.0485	.0806	.1206
59	.0000	.0002	.0012	.0036	.0078	.0220	.0442	.0747	.1133
60	.0000	.0001	.0010	.0030	.0067	.0194	.0400	.0689	.1060
61	.0000	.0001	.0008	.0025	.0056	.0170	.0360	.0632	.0989
62	.0000	.0001	.0006	.0020	.0047	.0147	.0321	.0577	.0919
63	.0000	.0000	.0004	.0016	.0038	.0126	.0284	.0524	.0851
64	.0000	.0000	.0003	.0012	.0030	.0106	.0248	.0472	.0783
65	.0000	.0000	.0002	.0009	.0024	.0088	.0215	.0422	.0718
66	.0000	.0000	.0002	.0007	.0018	.0072	.0184	.0374	.0654
67	.0000	.0000	.0001	.0005	.0013	.0057	.0155	.0328	.0591
68	.0000	.0000	.0001	.0003	.0010	.0044	.0128	.0284	.0531
69	.0000	.0000	.0000	.0002	.0006	.0033	.0104	.0243	.0472
70	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0204	.0416
71	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0167	.0360
72	.0000	.0000	.0000	.0000	.0001	.0010	.0045	.0134	.0308
73	.0000	.0000	.0000	.0000	.0001	.0006	.0031	.0105	.0261
74	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0087	.0231

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 7  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7189	.6627	.6128	.5679	.5272	.4924	.4649	.4427	.4243	.4090	.3961	.3851	.3760	.3688
41	\$120	.7147	.6572	.6060	.5601	.5188	.4855	.4588	.4370	.4189	.4038	.3911	.3806	.3723	.3657
42	\$120	.7107	.6517	.5993	.5522	.5115	.4791	.4529	.4314	.4136	.3987	.3864	.3766	.3689	.3628
43	\$120	.7066	.6463	.5926	.5446	.5048	.4731	.4472	.4260	.4084	.3938	.3821	.3731	.3659	.3602
44	\$120	.7027	.6409	.5860	.5377	.4987	.4673	.4417	.4206	.4032	.3892	.3784	.3698	.3631	.3578
45	\$120	.6988	.6356	.5794	.5314	.4929	.4617	.4363	.4153	.3984	.3852	.3749	.3668	.3605	.3556
46	\$120	.6950	.6303	.5731	.5255	.4873	.4562	.4309	.4102	.3940	.3814	.3716	.3640	.3581	.3536
47	\$120	.6912	.6251	.5672	.5200	.4818	.4508	.4255	.4055	.3899	.3779	.3685	.3614	.3559	.3518
48	\$120	.6876	.6200	.5618	.5147	.4765	.4454	.4205	.4010	.3861	.3745	.3656	.3590	.3540	.3503
49	\$120	.6840	.6150	.5567	.5095	.4712	.4401	.4157	.3969	.3824	.3713	.3630	.3568	.3522	.3489
50	\$120	.6804	.6103	.5519	.5044	.4658	.4351	.4112	.3929	.3789	.3684	.3606	.3548	.3506	.3476
	\$250	.6807	.6103	.5474	.4908	.4399	.3946	.3559	.3233	.2958	.2726	.2529	.2362	.2221	.2104
51	\$120	.6770	.6060	.5472	.4993	.4606	.4303	.4069	.3890	.3756	.3656	.3583	.3530	.3492	.3465
	\$250	.6773	.6053	.5409	.4831	.4312	.3860	.3478	.3156	.2884	.2655	.2462	.2299	.2164	.2053
52	\$120	.6736	.6018	.5426	.4943	.4556	.4256	.4027	.3853	.3725	.3631	.3563	.3514	.3479	.3455
	\$250	.6739	.6004	.5345	.4754	.4229	.3780	.3400	.3081	.2812	.2586	.2396	.2239	.2111	.2007
53	\$120	.6704	.5979	.5380	.4893	.4508	.4212	.3986	.3819	.3696	.3607	.3544	.3499	.3468	.3447
	\$250	.6706	.5955	.5282	.4678	.4151	.3702	.3325	.3007	.2740	.2517	.2333	.2183	.2061	.1963
54	\$120	.6674	.5941	.5336	.4845	.4462	.4168	.3948	.3786	.3669	.3585	.3527	.3486	.3458	.3439
	\$250	.6674	.5907	.5219	.4605	.4076	.3628	.3251	.2935	.2670	.2452	.2274	.2131	.2015	.1922
55	\$120	.6646	.5905	.5291	.4799	.4417	.4126	.3911	.3755	.3643	.3565	.3511	.3474	.3449	.3433
	\$250	.6643	.5860	.5156	.4536	.4004	.3555	.3178	.2863	.2602	.2390	.2219	.2081	.1971	.1884
56	\$120	.6619	.5869	.5248	.4754	.4372	.4086	.3876	.3725	.3619	.3546	.3497	.3464	.3442	.3427
	\$250	.6613	.5813	.5096	.4469	.3934	.3483	.3106	.2792	.2537	.2331	.2165	.2034	.1930	.1849
57	\$120	.6594	.5834	.5206	.4710	.4329	.4047	.3842	.3697	.3597	.3529	.3484	.3454	.3435	.3423
	\$250	.6583	.5768	.5038	.4405	.3866	.3413	.3034	.2725	.2474	.2274	.2115	.1989	.1892	.1817
58	\$120	.6571	.5799	.5166	.4667	.4287	.4009	.3810	.3671	.3577	.3514	.3473	.3446	.3429	.3419
	\$250	.6555	.5724	.4983	.4343	.3799	.3342	.2965	.2659	.2414	.2219	.2066	.1948	.1857	.1787
	\$500	.6556	.5725	.4975	.4304	.3708	.3182	.2725	.2332	.1997	.1712	.1473	.1273	.1106	.0968
59	\$120	.6548	.5766	.5126	.4624	.4247	.3972	.3779	.3646	.3558	.3500	.3462	.3439	.3424	.3415
	\$250	.6529	.5682	.4931	.4283	.3732	.3273	.2898	.2596	.2355	.2167	.2021	.1909	.1824	.1760
	\$500	.6529	.5681	.4916	.4231	.3623	.3091	.2632	.2239	.1906	.1626	.1391	.1197	.1037	.0905
60	\$120	.6527	.5734	.5087	.4583	.4207	.3937	.3750	.3623	.3540	.3487	.3453	.3433	.3420	.3413
	\$250	.6503	.5642	.4880	.4223	.3667	.3207	.2833	.2534	.2299	.2117	.1978	.1873	.1794	.1736
	\$500	.6504	.5640	.4858	.4159	.3541	.3003	.2541	.2148	.1817	.1541	.1312	.1124	.0971	.0847
61	\$120	.6506	.5704	.5049	.4543	.4169	.3904	.3722	.3602	.3524	.3475	.3445	.3427	.3417	.3410
	\$250	.6479	.5605	.4832	.4165	.3603	.3141	.2769	.2474	.2245	.2070	.1938	.1839	.1767	.1714
	\$500	.6479	.5599	.4801	.4088	.3460	.2916	.2451	.2059	.1730	.1459	.1236	.1055	.0909	.0792
62	\$120	.6487	.5674	.5013	.4504	.4132	.3871	.3696	.3582	.3510	.3465	.3438	.3423	.3414	.3409
	\$250	.6457	.5570	.4784	.4107	.3541	.3077	.2707	.2417	.2194	.2025	.1900	.1808	.1742	.1694
	\$500	.6456	.5560	.4746	.4019	.3381	.2831	.2364	.1971	.1646	.1379	.1163	.0989	.0851	.0741
63	\$120	.6469	.5645	.4977	.4466	.4096	.3841	.3671	.3563	.3496	.3456	.3432	.3419	.3411	.3407
	\$250	.6436	.5536	.4738	.4052	.3479	.3014	.2646	.2361	.2144	.1983	.1865	.1780	.1720	.1677
	\$500	.6435	.5523	.4693	.3952	.3304	.2748	.2277	.1885	.1563	.1302	.1093	.0926	.0796	.0694
64	\$120	.6452	.5618	.4942	.4429	.4062	.3811	.3648	.3546	.3484	.3448	.3427	.3416	.3409	.3406
	\$250	.6418	.5505	.4694	.3998	.3420	.2953	.2587	.2307	.2097	.1944	.1833	.1754	.1699	.1662
	\$500	.6416	.5488	.4642	.3887	.3229	.2666	.2193	.1802	.1483	.1228	.1026	.0867	.0745	.0651
	\$1,000	.6416	.5488	.4642	.3883	.3216	.2638	.2145	.1731	.1386	.1103	.0873	.0688	.0540	.0423

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
65	\$120	.6437	.5592	.4909	.4393	.4028	.3783	.3626	.3530	.3474	.3441	.3423	.3413	.3408	.3405
	\$250	.6401	.5475	.4651	.3945	.3361	.2894	.2530	.2256	.2053	.1906	.1803	.1731	.1682	.1648
	\$500	.6398	.5455	.4593	.3825	.3155	.2585	.2110	.1720	.1405	.1156	.0962	.0812	.0697	.0611
	\$1,000	.6398	.5455	.4592	.3817	.3137	.2551	.2053	.1637	.1295	.1017	.0794	.0616	.0477	.0368
66	\$120	.6422	.5567	.4876	.4359	.3996	.3757	.3606	.3516	.3464	.3435	.3419	.3411	.3406	.3404
	\$250	.6386	.5447	.4610	.3894	.3304	.2836	.2475	.2206	.2011	.1872	.1775	.1710	.1666	.1637
	\$500	.6381	.5424	.4546	.3764	.3083	.2506	.2028	.1640	.1330	.1088	.0901	.0760	.0654	.0576
	\$1,000	.6382	.5424	.4544	.3754	.3060	.2464	.1962	.1545	.1206	.0934	.0718	.0549	.0418	.0318
67	\$120	.6409	.5543	.4845	.4325	.3965	.3731	.3587	.3503	.3455	.3429	.3416	.3409	.3405	.3404
	\$250	.6372	.5421	.4571	.3844	.3249	.2779	.2422	.2159	.1971	.1840	.1750	.1691	.1652	.1627
	\$500	.6367	.5395	.4502	.3705	.3013	.2429	.1948	.1561	.1257	.1022	.0844	.0712	.0614	.0543
	\$1,000	.6367	.5395	.4498	.3691	.2984	.2379	.1872	.1455	.1119	.0853	.0645	.0486	.0364	.0273
68	\$120	.6396	.5520	.4814	.4292	.3936	.3707	.3570	.3491	.3448	.3425	.3413	.3407	.3405	.3403
	\$250	.6361	.5397	.4534	.3796	.3194	.2724	.2370	.2114	.1933	.1810	.1728	.1674	.1640	.1619
	\$500	.6354	.5369	.4461	.3648	.2944	.2353	.1870	.1486	.1187	.0960	.0791	.0667	.0578	.0515
	\$1,000	.6354	.5368	.4454	.3631	.2910	.2295	.1783	.1367	.1035	.0776	.0577	.0426	.0314	.0232
69	\$120	.6385	.5498	.4785	.4261	.3907	.3685	.3554	.3480	.3441	.3421	.3411	.3406	.3404	.3403
	\$250	.6350	.5374	.4498	.3749	.3142	.2670	.2321	.2071	.1898	.1783	.1708	.1660	.1630	.1612
	\$500	.6343	.5346	.4421	.3593	.2877	.2278	.1793	.1411	.1119	.0901	.0741	.0626	.0546	.0490
	\$1,000	.6343	.5344	.4413	.3572	.2837	.2212	.1695	.1280	.0953	.0701	.0512	.0371	.0269	.0195
70	\$120	.6375	.5477	.4756	.4231	.3880	.3664	.3539	.3471	.3435	.3418	.3409	.3405	.3404	.3403
	\$250	.6341	.5354	.4464	.3704	.3090	.2619	.2273	.2030	.1866	.1758	.1689	.1647	.1622	.1607
	\$500	.6334	.5325	.4384	.3540	.2811	.2205	.1718	.1340	.1054	.0845	.0694	.0589	.0517	.0468
	\$1,000	.6334	.5322	.4374	.3516	.2765	.2130	.1609	.1195	.0873	.0631	.0451	.0321	.0228	.0163
71	\$120	.6365	.5457	.4728	.4201	.3854	.3644	.3525	.3462	.3430	.3415	.3408	.3405	.3403	.3403
	\$250	.6333	.5335	.4431	.3660	.3039	.2567	.2226	.1990	.1835	.1735	.1673	.1636	.1614	.1602
	\$500	.6327	.5305	.4349	.3488	.2745	.2131	.1643	.1268	.0990	.0791	.0651	.0555	.0491	.0449
	\$1,000	.6326	.5302	.4337	.3461	.2694	.2048	.1522	.1110	.0795	.0562	.0393	.0274	.0191	.0135
72	\$120	.6357	.5439	.4703	.4174	.3830	.3626	.3513	.3455	.3426	.3413	.3407	.3404	.3403	.3403
	\$250	.6327	.5318	.4402	.3619	.2992	.2519	.2183	.1955	.1807	.1715	.1659	.1627	.1609	.1598
	\$500	.6321	.5289	.4318	.3441	.2684	.2062	.1572	.1202	.0932	.0742	.0612	.0526	.0470	.0434
	\$1,000	.6320	.5285	.4305	.3410	.2626	.1970	.1440	.1030	.0722	.0499	.0342	.0233	.0160	.0112
73	\$120	.6350	.5423	.4679	.4148	.3808	.3610	.3502	.3448	.3423	.3411	.3406	.3404	.3403	.3402
	\$250	.6322	.5304	.4375	.3580	.2947	.2475	.2144	.1923	.1783	.1698	.1648	.1620	.1604	.1596
	\$500	.6317	.5276	.4290	.3397	.2627	.1997	.1506	.1141	.0879	.0699	.0579	.0501	.0452	.0422
	\$1,000	.6316	.5272	.4276	.3363	.2563	.1896	.1363	.0955	.0656	.0443	.0296	.0198	.0135	.0094
74	\$120	.6346	.5413	.4665	.4133	.3795	.3600	.3496	.3445	.3421	.3410	.3405	.3403	.3403	.3402
	\$250	.6320	.5296	.4358	.3556	.2919	.2447	.2119	.1903	.1769	.1688	.1641	.1615	.1601	.1594
	\$500	.6315	.5269	.4274	.3370	.2591	.1956	.1464	.1102	.0846	.0673	.0559	.0487	.0442	.0415
	\$1,000	.6314	.5264	.4258	.3333	.2523	.1848	.1313	.0908	.0614	.0408	.0269	.0178	.0120	.0084

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 7  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0037	.0134	.0276	.0451	.0879	.1387	.1958	.2579

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
41	\$120	.0000	.0033	.0124	.0257	.0425	.0837	.1332	.1890	.2501
42	\$120	.0000	.0030	.0114	.0240	.0399	.0797	.1277	.1823	.2422
43	\$120	.0000	.0026	.0104	.0223	.0374	.0756	.1223	.1756	.2346
44	\$120	.0000	.0023	.0095	.0206	.0350	.0717	.1169	.1690	.2277
45	\$120	.0000	.0021	.0086	.0190	.0326	.0678	.1116	.1624	.2214
46	\$120	.0000	.0018	.0078	.0175	.0304	.0640	.1063	.1561	.2155
47	\$120	.0000	.0016	.0070	.0160	.0281	.0602	.1011	.1502	.2100
48	\$120	.0000	.0014	.0063	.0146	.0260	.0566	.0960	.1448	.2047
49	\$120	.0000	.0012	.0056	.0133	.0239	.0530	.0910	.1397	.1995
50	\$120	.0000	.0010	.0050	.0120	.0219	.0494	.0863	.1349	.1944
	\$250	.0000	.0010	.0050	.0121	.0221	.0497	.0863	.1304	.1808
51	\$120	.0000	.0009	.0044	.0108	.0200	.0460	.0820	.1302	.1893
	\$250	.0000	.0009	.0044	.0109	.0201	.0463	.0813	.1239	.1731
52	\$120	.0000	.0007	.0039	.0097	.0182	.0426	.0778	.1256	.1843
	\$250	.0000	.0007	.0039	.0098	.0183	.0429	.0764	.1175	.1654
53	\$120	.0000	.0006	.0034	.0086	.0164	.0394	.0739	.1210	.1793
	\$250	.0000	.0006	.0034	.0087	.0165	.0396	.0715	.1112	.1578
54	\$120	.0000	.0005	.0029	.0076	.0148	.0364	.0701	.1166	.1745
	\$250	.0000	.0005	.0029	.0077	.0149	.0364	.0667	.1049	.1505
55	\$120	.0000	.0004	.0025	.0067	.0132	.0336	.0665	.1121	.1699
	\$250	.0000	.0004	.0025	.0067	.0133	.0333	.0620	.0986	.1436
56	\$120	.0000	.0003	.0021	.0058	.0117	.0309	.0629	.1078	.1654
	\$250	.0000	.0003	.0021	.0058	.0118	.0303	.0573	.0926	.1369
57	\$120	.0000	.0003	.0017	.0050	.0103	.0284	.0594	.1036	.1610
	\$250	.0000	.0003	.0018	.0050	.0103	.0273	.0528	.0868	.1305
58	\$120	.0000	.0002	.0014	.0043	.0090	.0261	.0559	.0996	.1567
	\$250	.0000	.0002	.0015	.0043	.0090	.0245	.0484	.0813	.1243
	\$500	.0000	.0002	.0015	.0043	.0090	.0246	.0485	.0805	.1204
59	\$120	.0000	.0002	.0012	.0036	.0078	.0238	.0526	.0956	.1524
	\$250	.0000	.0002	.0012	.0036	.0078	.0219	.0442	.0761	.1183
	\$500	.0000	.0002	.0012	.0036	.0078	.0219	.0441	.0746	.1131
60	\$120	.0000	.0001	.0009	.0030	.0067	.0217	.0494	.0917	.1483
	\$250	.0000	.0001	.0010	.0030	.0066	.0193	.0402	.0710	.1123
	\$500	.0000	.0001	.0010	.0030	.0067	.0194	.0400	.0688	.1059
61	\$120	.0000	.0001	.0007	.0024	.0057	.0196	.0464	.0879	.1443
	\$250	.0000	.0001	.0008	.0025	.0056	.0169	.0365	.0662	.1065
	\$500	.0000	.0001	.0008	.0025	.0056	.0169	.0359	.0631	.0988
62	\$120	.0000	.0001	.0006	.0020	.0049	.0177	.0434	.0843	.1404
	\$250	.0000	.0001	.0006	.0020	.0046	.0147	.0330	.0614	.1007
	\$500	.0000	.0001	.0006	.0020	.0047	.0146	.0320	.0576	.0919
63	\$120	.0000	.0000	.0004	.0016	.0041	.0159	.0405	.0807	.1366
	\$250	.0000	.0000	.0004	.0016	.0038	.0126	.0296	.0568	.0952
	\$500	.0000	.0000	.0004	.0016	.0038	.0125	.0283	.0523	.0852
64	\$120	.0000	.0000	.0003	.0013	.0034	.0142	.0378	.0772	.1329

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0000	.0003	.0012	.0030	.0108	.0265	.0524	.0898
	\$500	.0000	.0000	.0003	.0012	.0030	.0106	.0248	.0472	.0787
	\$1,000	.0000	.0000	.0003	.0012	.0030	.0106	.0248	.0472	.0783
65	\$120	.0000	.0000	.0002	.0010	.0028	.0127	.0352	.0739	.1293
	\$250	.0000	.0000	.0002	.0009	.0024	.0091	.0235	.0481	.0845
	\$500	.0000	.0000	.0002	.0009	.0024	.0088	.0215	.0423	.0725
	\$1,000	.0000	.0000	.0002	.0009	.0024	.0088	.0215	.0422	.0717
66	\$120	.0000	.0000	.0002	.0008	.0023	.0112	.0327	.0706	.1259
	\$250	.0000	.0000	.0002	.0007	.0018	.0076	.0207	.0440	.0794
	\$500	.0000	.0000	.0002	.0007	.0018	.0071	.0184	.0376	.0664
	\$1,000	.0000	.0000	.0002	.0007	.0018	.0072	.0184	.0374	.0654
67	\$120	.0000	.0000	.0001	.0006	.0019	.0099	.0303	.0675	.1225
	\$250	.0000	.0000	.0001	.0005	.0014	.0062	.0181	.0401	.0744
	\$500	.0000	.0000	.0001	.0005	.0013	.0057	.0155	.0332	.0605
	\$1,000	.0000	.0000	.0001	.0005	.0013	.0057	.0155	.0328	.0591
68	\$120	.0000	.0000	.0001	.0004	.0015	.0086	.0280	.0644	.1192
	\$250	.0000	.0000	.0001	.0003	.0010	.0051	.0157	.0364	.0696
	\$500	.0000	.0000	.0001	.0003	.0009	.0044	.0129	.0291	.0548
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0044	.0128	.0284	.0531
69	\$120	.0000	.0000	.0000	.0003	.0011	.0075	.0258	.0615	.1161
	\$250	.0000	.0000	.0000	.0002	.0007	.0040	.0134	.0328	.0649
	\$500	.0000	.0000	.0000	.0002	.0006	.0033	.0106	.0251	.0493
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0033	.0104	.0243	.0472
70	\$120	.0000	.0000	.0000	.0002	.0009	.0065	.0237	.0586	.1131
	\$250	.0000	.0000	.0000	.0001	.0005	.0031	.0114	.0294	.0604
	\$500	.0000	.0000	.0000	.0001	.0004	.0024	.0085	.0214	.0440
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0024	.0082	.0204	.0416
71	\$120	.0000	.0000	.0000	.0001	.0007	.0055	.0217	.0558	.1101
	\$250	.0000	.0000	.0000	.0001	.0003	.0023	.0095	.0261	.0560
	\$500	.0000	.0000	.0000	.0001	.0002	.0017	.0065	.0179	.0388
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0016	.0062	.0167	.0361
72	\$120	.0000	.0000	.0000	.0001	.0005	.0047	.0199	.0533	.1074
	\$250	.0000	.0000	.0000	.0000	.0002	.0017	.0078	.0232	.0519
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0049	.0148	.0341
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0010	.0045	.0135	.0310
73	\$120	.0000	.0000	.0000	.0001	.0003	.0040	.0183	.0509	.1048
	\$250	.0000	.0000	.0000	.0000	.0001	.0012	.0064	.0205	.0480
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0036	.0120	.0297
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0006	.0032	.0106	.0263
74	\$120	.0000	.0000	.0000	.0000	.0003	.0036	.0173	.0495	.1033
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0056	.0188	.0456
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0029	.0104	.0270
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0024	.0088	.0233

\*Single Loss Limit values are expressed in thousands of dollars.

Loss-Based Plan, with no Single Loss Limit

Insurance Charge Table  
Hazard Group 7  
Effective October 29, 2010

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9315	.9173	.9047	.8932	.8825	.8724	.8630	.8540	.8455	.8373	.8294	.8218	.8145	.8074
2	.9268	.9117	.8983	.8859	.8745	.8638	.8537	.8442	.8351	.8263	.8180	.8099	.8021	.7946
3	.9222	.9062	.8918	.8787	.8666	.8552	.8445	.8344	.8247	.8154	.8066	.7980	.7898	.7818
4	.9176	.9006	.8854	.8715	.8586	.8466	.8352	.8245	.8142	.8044	.7950	.7860	.7773	.7688
5	.9130	.8950	.8789	.8642	.8506	.8379	.8259	.8145	.8037	.7934	.7835	.7739	.7648	.7559
6	.9084	.8894	.8724	.8569	.8426	.8292	.8166	.8046	.7932	.7823	.7719	.7619	.7522	.7429
7	.9038	.8838	.8660	.8497	.8346	.8205	.8072	.7947	.7827	.7713	.7604	.7498	.7397	.7299
8	.8992	.8783	.8595	.8424	.8266	.8118	.7979	.7847	.7722	.7603	.7488	.7378	.7272	.7170
9	.8947	.8727	.8531	.8351	.8186	.8031	.7885	.7748	.7617	.7492	.7372	.7258	.7147	.7041
10	.8901	.8672	.8466	.8279	.8106	.7944	.7792	.7648	.7512	.7381	.7257	.7137	.7022	.6911
11	.8856	.8616	.8402	.8206	.8025	.7857	.7698	.7548	.7406	.7271	.7141	.7017	.6897	.6782
12	.8811	.8561	.8337	.8133	.7945	.7769	.7604	.7449	.7301	.7160	.7025	.6896	.6772	.6653
13	.8766	.8505	.8273	.8060	.7865	.7682	.7510	.7349	.7195	.7049	.6909	.6775	.6647	.6523
14	.8721	.8450	.8208	.7987	.7784	.7594	.7416	.7248	.7089	.6937	.6793	.6654	.6522	.6394
15	.8676	.8395	.8143	.7914	.7703	.7506	.7322	.7147	.6983	.6826	.6676	.6533	.6396	.6265
16	.8631	.8339	.8078	.7841	.7622	.7418	.7227	.7047	.6876	.6714	.6560	.6412	.6271	.6136
17	.8587	.8284	.8014	.7767	.7541	.7330	.7132	.6946	.6770	.6603	.6443	.6291	.6146	.6007
18	.8542	.8228	.7948	.7694	.7459	.7241	.7037	.6844	.6663	.6490	.6326	.6170	.6021	.5877
19	.8497	.8173	.7883	.7620	.7377	.7152	.6941	.6743	.6556	.6378	.6210	.6049	.5895	.5748
20	.8453	.8117	.7818	.7545	.7295	.7062	.6845	.6641	.6448	.6266	.6092	.5927	.5770	.5619
21	.8408	.8061	.7752	.7471	.7212	.6973	.6749	.6538	.6340	.6153	.5975	.5805	.5644	.5489
22	.8363	.8005	.7686	.7396	.7129	.6882	.6652	.6436	.6232	.6039	.5857	.5683	.5517	.5359
23	.8318	.7949	.7620	.7321	.7046	.6792	.6555	.6332	.6123	.5926	.5738	.5560	.5391	.5229
24	.8273	.7893	.7553	.7245	.6962	.6701	.6457	.6229	.6014	.5811	.5620	.5437	.5264	.5099
25	.8229	.7836	.7486	.7169	.6878	.6609	.6359	.6124	.5904	.5697	.5500	.5314	.5137	.4968
26	.8184	.7780	.7419	.7093	.6794	.6517	.6260	.6020	.5794	.5582	.5381	.5190	.5009	.4837
27	.8139	.7723	.7352	.7016	.6709	.6425	.6161	.5914	.5683	.5466	.5261	.5066	.4881	.4706
28	.8094	.7666	.7284	.6939	.6623	.6331	.6061	.5808	.5572	.5350	.5140	.4941	.4752	.4573
29	.8049	.7609	.7216	.6861	.6537	.6238	.5961	.5702	.5460	.5233	.5018	.4816	.4623	.4440
30	.8004	.7551	.7148	.6783	.6450	.6144	.5859	.5595	.5347	.5115	.4896	.4689	.4493	.4307
31	.7959	.7494	.7079	.6705	.6363	.6049	.5758	.5487	.5234	.4997	.4774	.4562	.4362	.4173
32	.7914	.7436	.7010	.6626	.6276	.5953	.5656	.5379	.5120	.4878	.4650	.4434	.4230	.4037
33	.7869	.7378	.6941	.6547	.6188	.5858	.5553	.5270	.5005	.4758	.4525	.4306	.4098	.3901
34	.7824	.7320	.6871	.6467	.6099	.5761	.5449	.5159	.4889	.4637	.4399	.4175	.3964	.3763
35	.7779	.7262	.6801	.6386	.6009	.5663	.5344	.5048	.4772	.4514	.4272	.4044	.3829	.3625
36	.7734	.7203	.6731	.6305	.5919	.5564	.5238	.4936	.4654	.4391	.4144	.3911	.3692	.3485
37	.7689	.7144	.6660	.6224	.5828	.5465	.5131	.4822	.4534	.4266	.4014	.3777	.3555	.3346
38	.7645	.7085	.6589	.6142	.5736	.5365	.5023	.4707	.4414	.4139	.3883	.3642	.3417	.3207
39	.7600	.7027	.6517	.6059	.5644	.5264	.4915	.4592	.4292	.4012	.3751	.3508	.3281	.3069
40	.7556	.6968	.6446	.5977	.5551	.5163	.4806	.4476	.4170	.3885	.3620	.3374	.3145	.2932
41	.7513	.6910	.6375	.5894	.5459	.5061	.4696	.4359	.4047	.3758	.3490	.3241	.3010	.2796
42	.7470	.6853	.6304	.5812	.5366	.4960	.4587	.4242	.3925	.3631	.3360	.3109	.2877	.2662
43	.7427	.6796	.6234	.5730	.5274	.4858	.4477	.4126	.3803	.3506	.3232	.2979	.2745	.2530
44	.7386	.6739	.6164	.5648	.5182	.4756	.4367	.4009	.3682	.3381	.3104	.2850	.2616	.2401
45	.7345	.6683	.6095	.5567	.5089	.4654	.4257	.3894	.3561	.3257	.2978	.2722	.2488	.2274
46	.7305	.6628	.6026	.5486	.4997	.4552	.4147	.3778	.3442	.3134	.2853	.2597	.2363	.2149
47	.7265	.6573	.5957	.5404	.4904	.4450	.4038	.3663	.3322	.3012	.2730	.2473	.2239	.2027
48	.7227	.6519	.5889	.5323	.4811	.4349	.3929	.3549	.3204	.2891	.2608	.2351	.2118	.1908
49	.7189	.6466	.5821	.5242	.4719	.4247	.3820	.3435	.3086	.2771	.2487	.2231	.2000	.1792
50	.7152	.6413	.5753	.5160	.4626	.4145	.3712	.3321	.2969	.2653	.2368	.2113	.1883	.1678

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
51	.7115	.6360	.5685	.5079	.4534	.4044	.3604	.3208	.2853	.2535	.2251	.1997	.1770	.1567
52	.7080	.6308	.5618	.4998	.4442	.3943	.3496	.3096	.2738	.2419	.2135	.1883	.1659	.1460
53	.7045	.6257	.5551	.4918	.4350	.3842	.3389	.2984	.2624	.2305	.2022	.1771	.1550	.1355
54	.7012	.6207	.5485	.4838	.4259	.3742	.3282	.2873	.2511	.2192	.1910	.1662	.1444	.1254
55	.6979	.6157	.5419	.4758	.4168	.3642	.3176	.2763	.2400	.2080	.1800	.1555	.1341	.1155
56	.6947	.6108	.5354	.4679	.4077	.3542	.3070	.2654	.2289	.1970	.1692	.1450	.1241	.1060
57	.6917	.6061	.5290	.4601	.3987	.3443	.2965	.2546	.2180	.1862	.1586	.1349	.1144	.0969
58	.6887	.6014	.5227	.4523	.3897	.3345	.2861	.2438	.2072	.1755	.1483	.1249	.1050	.0881
59	.6859	.5969	.5165	.4446	.3808	.3247	.2757	.2332	.1965	.1650	.1381	.1153	.0960	.0797
60	.6832	.5925	.5104	.4370	.3720	.3150	.2655	.2227	.1860	.1547	.1282	.1060	.0873	.0717
61	.6806	.5882	.5044	.4295	.3633	.3054	.2553	.2123	.1756	.1446	.1186	.0969	.0789	.0640
62	.6782	.5841	.4987	.4222	.3547	.2959	.2452	.2020	.1654	.1348	.1093	.0882	.0709	.0568
63	.6760	.5802	.4930	.4150	.3462	.2865	.2353	.1918	.1554	.1251	.1002	.0798	.0633	.0500
64	.6739	.5765	.4876	.4079	.3378	.2772	.2254	.1818	.1455	.1157	.0914	.0718	.0561	.0436
65	.6720	.5730	.4823	.4010	.3296	.2679	.2156	.1719	.1359	.1066	.0829	.0641	.0493	.0377
66	.6703	.5697	.4773	.3943	.3215	.2588	.2060	.1622	.1264	.0977	.0748	.0569	.0430	.0323
67	.6688	.5667	.4725	.3878	.3135	.2498	.1965	.1526	.1172	.0891	.0670	.0500	.0371	.0273
68	.6675	.5639	.4679	.3814	.3056	.2410	.1871	.1432	.1082	.0808	.0596	.0436	.0316	.0228
69	.6663	.5613	.4635	.3752	.2979	.2322	.1778	.1340	.0994	.0728	.0526	.0376	.0266	.0187
70	.6653	.5590	.4595	.3693	.2904	.2235	.1686	.1249	.0909	.0651	.0460	.0320	.0221	.0151
71	.6645	.5569	.4556	.3634	.2828	.2147	.1593	.1157	.0824	.0576	.0396	.0268	.0179	.0118
72	.6639	.5552	.4521	.3580	.2756	.2064	.1506	.1071	.0745	.0507	.0339	.0222	.0144	.0092
73	.6634	.5537	.4490	.3530	.2689	.1984	.1421	.0990	.0671	.0445	.0288	.0183	.0114	.0070
74	.6632	.5529	.4472	.3499	.2645	.1933	.1367	.0938	.0625	.0406	.0257	.0159	.0097	.0058

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 7  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0395	.0816	.1263	.1728	.2687	.3669	.4667	.5675	
2	.0000	.0379	.0792	.1233	.1692	.2640	.3613	.4602	.5603	
3	.0000	.0365	.0768	.1203	.1656	.2594	.3558	.4538	.5531	
4	.0000	.0350	.0745	.1174	.1621	.2548	.3502	.4473	.5458	
5	.0000	.0336	.0723	.1145	.1586	.2501	.3446	.4409	.5386	
6	.0000	.0322	.0701	.1116	.1551	.2456	.3390	.4344	.5313	
7	.0000	.0308	.0680	.1088	.1517	.2410	.3334	.4279	.5240	
8	.0000	.0295	.0660	.1061	.1483	.2364	.3278	.4215	.5168	
9	.0000	.0283	.0639	.1033	.1449	.2319	.3223	.4150	.5095	
10	.0000	.0271	.0619	.1006	.1415	.2273	.3167	.4086	.5022	
11	.0000	.0259	.0600	.0979	.1382	.2228	.3112	.4021	.4950	
12	.0000	.0248	.0580	.0953	.1348	.2183	.3057	.3957	.4877	
13	.0000	.0237	.0561	.0926	.1315	.2138	.3001	.3892	.4804	
14	.0000	.0227	.0543	.0900	.1282	.2093	.2946	.3828	.4731	
15	.0000	.0216	.0524	.0874	.1249	.2048	.2890	.3763	.4658	
16	.0000	.0207	.0506	.0848	.1217	.2003	.2835	.3698	.4585	
17	.0000	.0197	.0488	.0823	.1184	.1958	.2780	.3633	.4511	
18	.0000	.0187	.0470	.0797	.1152	.1914	.2724	.3568	.4437	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
19	.0000	.0178	.0453	.0772	.1119	.1869	.2669	.3503	.4363
20	.0000	.0169	.0435	.0747	.1087	.1824	.2613	.3437	.4289
21	.0000	.0161	.0418	.0722	.1055	.1780	.2557	.3372	.4215
22	.0000	.0152	.0401	.0697	.1023	.1735	.2501	.3306	.4140
23	.0000	.0144	.0385	.0673	.0992	.1690	.2445	.3239	.4064
24	.0000	.0136	.0368	.0649	.0960	.1645	.2389	.3173	.3989
25	.0000	.0128	.0352	.0624	.0928	.1600	.2332	.3106	.3913
26	.0000	.0121	.0336	.0600	.0897	.1556	.2275	.3039	.3836
27	.0000	.0113	.0320	.0577	.0866	.1511	.2219	.2972	.3760
28	.0000	.0106	.0305	.0553	.0835	.1466	.2161	.2904	.3682
29	.0000	.0099	.0290	.0530	.0804	.1421	.2104	.2836	.3605
30	.0000	.0093	.0275	.0507	.0773	.1376	.2047	.2767	.3527
31	.0000	.0086	.0260	.0484	.0742	.1331	.1989	.2699	.3449
32	.0000	.0080	.0246	.0461	.0712	.1286	.1932	.2630	.3370
33	.0000	.0074	.0232	.0439	.0681	.1241	.1874	.2561	.3290
34	.0000	.0068	.0218	.0417	.0651	.1196	.1816	.2491	.3211
35	.0000	.0063	.0204	.0395	.0621	.1151	.1757	.2421	.3130
36	.0000	.0058	.0191	.0374	.0592	.1106	.1699	.2350	.3049
37	.0000	.0053	.0178	.0352	.0562	.1061	.1640	.2279	.2967
38	.0000	.0048	.0166	.0332	.0533	.1016	.1581	.2208	.2885
39	.0000	.0043	.0154	.0311	.0504	.0972	.1523	.2137	.2803
40	.0000	.0039	.0142	.0291	.0476	.0928	.1464	.2066	.2720
41	.0000	.0035	.0131	.0272	.0449	.0884	.1406	.1995	.2638
42	.0000	.0032	.0120	.0253	.0422	.0841	.1348	.1924	.2556
43	.0000	.0028	.0110	.0235	.0396	.0799	.1291	.1854	.2474
44	.0000	.0025	.0101	.0218	.0370	.0758	.1235	.1784	.2392
45	.0000	.0022	.0091	.0201	.0345	.0717	.1179	.1715	.2311
46	.0000	.0019	.0083	.0185	.0321	.0677	.1124	.1646	.2229
47	.0000	.0017	.0075	.0170	.0298	.0637	.1069	.1577	.2148
48	.0000	.0015	.0067	.0155	.0275	.0599	.1015	.1509	.2067
49	.0000	.0013	.0060	.0141	.0254	.0561	.0961	.1440	.1985
50	.0000	.0011	.0053	.0128	.0233	.0524	.0908	.1373	.1904
51	.0000	.0009	.0047	.0115	.0212	.0487	.0856	.1305	.1823
52	.0000	.0008	.0041	.0103	.0193	.0452	.0804	.1238	.1742
53	.0000	.0007	.0036	.0092	.0174	.0417	.0753	.1171	.1662
54	.0000	.0005	.0031	.0081	.0157	.0383	.0703	.1105	.1582
55	.0000	.0004	.0026	.0071	.0140	.0351	.0653	.1039	.1502
56	.0000	.0004	.0022	.0062	.0124	.0319	.0604	.0974	.1423
57	.0000	.0003	.0019	.0053	.0109	.0288	.0556	.0910	.1344
58	.0000	.0002	.0015	.0045	.0095	.0259	.0510	.0847	.1267
59	.0000	.0002	.0013	.0038	.0082	.0231	.0464	.0785	.1190
60	.0000	.0001	.0010	.0032	.0070	.0204	.0420	.0724	.1114
61	.0000	.0001	.0008	.0026	.0059	.0178	.0378	.0664	.1039
62	.0000	.0001	.0006	.0021	.0049	.0154	.0337	.0606	.0966
63	.0000	.0001	.0005	.0017	.0040	.0132	.0298	.0550	.0894
64	.0000	.0000	.0003	.0013	.0032	.0111	.0261	.0495	.0823

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
65	.0000	.0000	.0002	.0010	.0025	.0092	.0226	.0443	.0754
66	.0000	.0000	.0002	.0007	.0019	.0075	.0193	.0392	.0687
67	.0000	.0000	.0001	.0005	.0014	.0060	.0163	.0344	.0621
68	.0000	.0000	.0001	.0003	.0010	.0046	.0135	.0299	.0558
69	.0000	.0000	.0000	.0002	.0007	.0035	.0109	.0255	.0496
70	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0214	.0437
71	.0000	.0000	.0000	.0001	.0002	.0017	.0065	.0175	.0378
72	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0141	.0324
73	.0000	.0000	.0000	.0000	.0001	.0006	.0033	.0110	.0274
74	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0092	.0243

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 7  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7551	.6961	.6437	.5966	.5538	.5172	.4884	.4650	.4457	.4296	.4161	.4046	.3950	.3874
41	\$120	.7508	.6903	.6366	.5883	.5450	.5099	.4819	.4590	.4401	.4242	.4109	.3998	.3910	.3841
42	\$120	.7465	.6846	.6295	.5801	.5373	.5032	.4757	.4532	.4345	.4188	.4058	.3956	.3875	.3811
43	\$120	.7423	.6789	.6225	.5720	.5303	.4969	.4698	.4475	.4290	.4136	.4014	.3919	.3844	.3784
44	\$120	.7381	.6732	.6155	.5648	.5238	.4909	.4640	.4419	.4235	.4089	.3974	.3885	.3814	.3758
45	\$120	.7340	.6676	.6086	.5582	.5177	.4850	.4583	.4363	.4185	.4046	.3938	.3853	.3787	.3735
46	\$120	.7300	.6621	.6019	.5520	.5118	.4793	.4526	.4309	.4139	.4006	.3904	.3823	.3761	.3714
47	\$120	.7261	.6567	.5958	.5462	.5061	.4736	.4470	.4259	.4096	.3969	.3871	.3796	.3739	.3696
48	\$120	.7222	.6512	.5902	.5406	.5005	.4679	.4417	.4213	.4055	.3934	.3841	.3771	.3718	.3679
49	\$120	.7185	.6460	.5848	.5352	.4949	.4623	.4367	.4169	.4017	.3900	.3813	.3748	.3700	.3664
50	\$120	.7148	.6411	.5797	.5298	.4893	.4570	.4319	.4127	.3980	.3869	.3788	.3727	.3683	.3651
	\$250	.7150	.6410	.5750	.5156	.4621	.4145	.3739	.3396	.3107	.2863	.2657	.2481	.2333	.2210
51	\$120	.7111	.6365	.5748	.5245	.4839	.4519	.4274	.4086	.3945	.3841	.3764	.3708	.3668	.3640
	\$250	.7114	.6358	.5682	.5075	.4530	.4055	.3653	.3315	.3030	.2789	.2586	.2415	.2273	.2157
52	\$120	.7076	.6322	.5699	.5192	.4786	.4471	.4230	.4048	.3913	.3814	.3742	.3691	.3655	.3629
	\$250	.7079	.6306	.5615	.4994	.4442	.3970	.3572	.3236	.2954	.2716	.2516	.2352	.2217	.2108
53	\$120	.7042	.6280	.5652	.5140	.4736	.4424	.4187	.4011	.3882	.3789	.3723	.3676	.3643	.3620
	\$250	.7044	.6255	.5548	.4914	.4360	.3889	.3492	.3159	.2879	.2644	.2451	.2293	.2165	.2062
54	\$120	.7010	.6241	.5605	.5090	.4687	.4379	.4147	.3977	.3854	.3766	.3704	.3662	.3632	.3613
	\$250	.7010	.6205	.5482	.4837	.4282	.3811	.3415	.3082	.2805	.2575	.2389	.2238	.2117	.2019
55	\$120	.6981	.6202	.5558	.5041	.4639	.4334	.4108	.3944	.3827	.3745	.3688	.3649	.3623	.3606
	\$250	.6978	.6155	.5416	.4764	.4206	.3734	.3338	.3007	.2733	.2510	.2330	.2186	.2071	.1979
56	\$120	.6953	.6165	.5513	.4994	.4593	.4292	.4071	.3913	.3802	.3725	.3673	.3638	.3615	.3600
	\$250	.6946	.6106	.5353	.4694	.4133	.3659	.3262	.2933	.2665	.2448	.2274	.2136	.2028	.1942
57	\$120	.6927	.6128	.5469	.4947	.4548	.4251	.4036	.3884	.3779	.3707	.3660	.3628	.3608	.3595
	\$250	.6915	.6059	.5292	.4627	.4061	.3585	.3187	.2862	.2599	.2388	.2221	.2090	.1988	.1909
58	\$120	.6902	.6092	.5426	.4902	.4504	.4211	.4002	.3856	.3757	.3691	.3648	.3620	.3602	.3591
	\$250	.6886	.6012	.5235	.4562	.3991	.3511	.3115	.2793	.2536	.2331	.2171	.2046	.1950	.1877
	\$500	.6887	.6013	.5226	.4521	.3895	.3343	.2862	.2449	.2097	.1799	.1548	.1337	.1162	.1016
59	\$120	.6878	.6057	.5384	.4857	.4461	.4173	.3970	.3830	.3737	.3676	.3637	.3612	.3597	.3588
	\$250	.6858	.5968	.5180	.4498	.3921	.3438	.3044	.2727	.2474	.2276	.2123	.2005	.1916	.1849
	\$500	.6858	.5968	.5164	.4444	.3806	.3247	.2764	.2352	.2002	.1707	.1461	.1257	.1089	.0951

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
60	\$120	.6856	.6023	.5344	.4814	.4419	.4136	.3939	.3806	.3719	.3663	.3627	.3606	.3593	.3585
	\$250	.6831	.5927	.5127	.4436	.3852	.3368	.2976	.2662	.2415	.2224	.2078	.1967	.1885	.1824
	\$500	.6831	.5924	.5103	.4368	.3719	.3154	.2669	.2256	.1909	.1619	.1378	.1181	.1020	.0890
61	\$120	.6834	.5991	.5304	.4772	.4379	.4101	.3910	.3783	.3702	.3651	.3619	.3600	.3589	.3582
	\$250	.6806	.5887	.5075	.4374	.3785	.3299	.2908	.2599	.2359	.2174	.2036	.1932	.1856	.1800
	\$500	.6806	.5881	.5043	.4294	.3634	.3063	.2575	.2163	.1818	.1532	.1298	.1108	.0955	.0832
62	\$120	.6814	.5960	.5265	.4731	.4340	.4067	.3882	.3762	.3687	.3640	.3612	.3595	.3586	.3580
	\$250	.6782	.5850	.5025	.4315	.3719	.3232	.2843	.2538	.2304	.2128	.1996	.1900	.1830	.1780
	\$500	.6782	.5841	.4985	.4222	.3552	.2974	.2483	.2071	.1729	.1449	.1221	.1039	.0893	.0779
63	\$120	.6795	.5930	.5228	.4691	.4303	.4034	.3856	.3743	.3673	.3630	.3605	.3591	.3583	.3579
	\$250	.6761	.5815	.4977	.4256	.3655	.3166	.2780	.2480	.2253	.2083	.1959	.1870	.1806	.1762
	\$500	.6760	.5802	.4929	.4151	.3471	.2887	.2392	.1980	.1642	.1368	.1148	.0973	.0836	.0729
64	\$120	.6778	.5901	.5192	.4652	.4266	.4003	.3832	.3725	.3660	.3622	.3600	.3588	.3581	.3578
	\$250	.6741	.5782	.4930	.4199	.3592	.3102	.2718	.2424	.2203	.2042	.1925	.1843	.1785	.1746
	\$500	.6739	.5765	.4876	.4083	.3392	.2800	.2303	.1892	.1558	.1290	.1077	.0911	.0782	.0684
	\$1,000	.6739	.5765	.4876	.4079	.3378	.2771	.2254	.1818	.1456	.1159	.0917	.0722	.0567	.0444
65	\$120	.6761	.5874	.5156	.4615	.4231	.3974	.3809	.3708	.3649	.3614	.3595	.3585	.3580	.3577
	\$250	.6724	.5751	.4886	.4144	.3531	.3039	.2658	.2369	.2156	.2003	.1894	.1818	.1766	.1732
	\$500	.6720	.5730	.4824	.4017	.3314	.2716	.2216	.1806	.1476	.1215	.1010	.0853	.0733	.0642
	\$1,000	.6720	.5730	.4823	.4010	.3295	.2679	.2156	.1720	.1360	.1068	.0834	.0647	.0501	.0387
66	\$120	.6746	.5847	.5122	.4578	.4198	.3946	.3788	.3693	.3639	.3608	.3591	.3583	.3578	.3576
	\$250	.6708	.5722	.4843	.4090	.3471	.2978	.2600	.2317	.2112	.1966	.1865	.1796	.1750	.1720
	\$500	.6703	.5697	.4776	.3953	.3239	.2633	.2130	.1722	.1397	.1143	.0947	.0798	.0687	.0605
	\$1,000	.6703	.5697	.4773	.3943	.3214	.2588	.2061	.1623	.1267	.0981	.0754	.0577	.0439	.0334
67	\$120	.6732	.5822	.5089	.4543	.4165	.3919	.3768	.3680	.3630	.3602	.3588	.3581	.3577	.3575
	\$250	.6694	.5694	.4802	.4038	.3412	.2919	.2544	.2268	.2070	.1932	.1839	.1776	.1735	.1709
	\$500	.6688	.5668	.4729	.3892	.3165	.2551	.2046	.1640	.1321	.1074	.0887	.0748	.0645	.0571
	\$1,000	.6688	.5667	.4724	.3877	.3135	.2499	.1966	.1529	.1176	.0896	.0678	.0510	.0382	.0287
68	\$120	.6719	.5798	.5057	.4509	.4134	.3894	.3750	.3667	.3622	.3598	.3585	.3579	.3576	.3575
	\$250	.6681	.5669	.4762	.3988	.3356	.2861	.2490	.2220	.2031	.1901	.1815	.1759	.1723	.1701
	\$500	.6675	.5640	.4685	.3832	.3093	.2471	.1964	.1560	.1247	.1009	.0831	.0701	.0607	.0541
	\$1,000	.6675	.5639	.4679	.3814	.3057	.2411	.1873	.1436	.1087	.0815	.0606	.0448	.0330	.0244
69	\$120	.6707	.5775	.5026	.4476	.4104	.3871	.3733	.3656	.3615	.3594	.3583	.3578	.3576	.3575
	\$250	.6670	.5645	.4725	.3938	.3300	.2805	.2438	.2175	.1994	.1873	.1794	.1744	.1712	.1693
	\$500	.6663	.5615	.4644	.3774	.3022	.2393	.1883	.1483	.1176	.0946	.0778	.0658	.0573	.0515
	\$1,000	.6663	.5613	.4635	.3753	.2980	.2323	.1781	.1344	.1001	.0737	.0538	.0390	.0282	.0205
70	\$120	.6696	.5753	.4996	.4444	.4076	.3849	.3717	.3646	.3609	.3590	.3581	.3577	.3575	.3574
	\$250	.6661	.5624	.4689	.3891	.3246	.2751	.2387	.2132	.1960	.1847	.1775	.1730	.1703	.1688
	\$500	.6654	.5593	.4605	.3719	.2953	.2316	.1805	.1407	.1107	.0887	.0729	.0619	.0543	.0492
	\$1,000	.6653	.5590	.4595	.3693	.2905	.2238	.1691	.1255	.0918	.0662	.0474	.0337	.0240	.0172
71	\$120	.6686	.5732	.4967	.4413	.4048	.3827	.3703	.3637	.3603	.3587	.3580	.3576	.3575	.3574
	\$250	.6653	.5604	.4655	.3844	.3192	.2696	.2338	.2091	.1927	.1822	.1758	.1719	.1696	.1683
	\$500	.6646	.5573	.4568	.3664	.2884	.2239	.1726	.1332	.1040	.0830	.0683	.0583	.0516	.0472
	\$1,000	.6645	.5569	.4556	.3635	.2829	.2151	.1599	.1166	.0835	.0590	.0413	.0287	.0201	.0142
72	\$120	.6678	.5714	.4940	.4384	.4023	.3808	.3690	.3629	.3599	.3585	.3578	.3576	.3575	.3574
	\$250	.6646	.5586	.4624	.3801	.3143	.2646	.2293	.2054	.1898	.1801	.1743	.1709	.1690	.1679
	\$500	.6640	.5556	.4535	.3614	.2820	.2166	.1652	.1263	.0979	.0780	.0643	.0552	.0493	.0456
	\$1,000	.6639	.5552	.4522	.3582	.2759	.2069	.1513	.1082	.0759	.0524	.0359	.0245	.0168	.0118
73	\$120	.6670	.5696	.4915	.4358	.4000	.3792	.3679	.3622	.3595	.3583	.3577	.3575	.3574	.3574
	\$250	.6641	.5572	.4595	.3761	.3096	.2600	.2252	.2020	.1873	.1783	.1731	.1701	.1685	.1676
	\$500	.6635	.5542	.4506	.3568	.2760	.2098	.1582	.1198	.0924	.0734	.0608	.0526	.0475	.0443
	\$1,000	.6634	.5537	.4491	.3532	.2692	.1991	.1432	.1004	.0689	.0465	.0311	.0208	.0141	.0099

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
74	\$120	.6666	.5686	.4900	.4341	.3986	.3781	.3672	.3618	.3593	.3582	.3577	.3575	.3574	.3574
	\$250	.6638	.5563	.4578	.3736	.3067	.2571	.2226	.1999	.1858	.1773	.1724	.1697	.1682	.1674
	\$500	.6633	.5534	.4489	.3539	.2721	.2054	.1538	.1158	.0889	.0707	.0587	.0511	.0464	.0436
	\$1,000	.6632	.5529	.4473	.3501	.2650	.1941	.1379	.0954	.0645	.0429	.0283	.0187	.0126	.0088

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 7  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0039	.0141	.0290	.0474	.0923	.1457	.2057	.2709
41	\$120	.0000	.0035	.0130	.0270	.0446	.0880	.1399	.1986	.2627
42	\$120	.0000	.0031	.0119	.0252	.0419	.0837	.1342	.1915	.2544
43	\$120	.0000	.0028	.0109	.0234	.0393	.0795	.1285	.1845	.2464
44	\$120	.0000	.0025	.0100	.0217	.0367	.0753	.1228	.1775	.2391
45	\$120	.0000	.0022	.0091	.0200	.0343	.0712	.1172	.1705	.2325
46	\$120	.0000	.0019	.0082	.0184	.0319	.0672	.1117	.1639	.2264
47	\$120	.0000	.0017	.0074	.0169	.0296	.0633	.1062	.1578	.2206
48	\$120	.0000	.0015	.0066	.0154	.0273	.0594	.1008	.1521	.2150
49	\$120	.0000	.0013	.0059	.0140	.0251	.0556	.0956	.1468	.2095
50	\$120	.0000	.0011	.0053	.0126	.0230	.0519	.0907	.1417	.2042
	\$250	.0000	.0011	.0053	.0127	.0232	.0522	.0906	.1369	.1900
51	\$120	.0000	.0009	.0046	.0114	.0210	.0483	.0861	.1367	.1989
	\$250	.0000	.0009	.0047	.0115	.0212	.0486	.0854	.1302	.1819
52	\$120	.0000	.0008	.0041	.0102	.0191	.0448	.0818	.1319	.1936
	\$250	.0000	.0008	.0041	.0103	.0192	.0450	.0802	.1235	.1738
53	\$120	.0000	.0006	.0035	.0091	.0173	.0414	.0776	.1271	.1884
	\$250	.0000	.0007	.0036	.0091	.0174	.0416	.0751	.1168	.1658
54	\$120	.0000	.0005	.0030	.0080	.0155	.0382	.0737	.1224	.1833
	\$250	.0000	.0005	.0031	.0081	.0156	.0382	.0701	.1102	.1581
55	\$120	.0000	.0004	.0026	.0070	.0138	.0353	.0698	.1178	.1785
	\$250	.0000	.0004	.0026	.0071	.0139	.0349	.0651	.1036	.1508
56	\$120	.0000	.0004	.0022	.0061	.0123	.0325	.0660	.1133	.1737
	\$250	.0000	.0004	.0022	.0061	.0123	.0318	.0602	.0973	.1438
57	\$120	.0000	.0003	.0018	.0052	.0108	.0299	.0623	.1089	.1691
	\$250	.0000	.0003	.0019	.0053	.0109	.0287	.0555	.0912	.1371
58	\$120	.0000	.0002	.0015	.0045	.0094	.0274	.0587	.1046	.1645
	\$250	.0000	.0002	.0015	.0045	.0095	.0258	.0508	.0855	.1306
	\$500	.0000	.0002	.0015	.0045	.0095	.0258	.0509	.0846	.1265
59	\$120	.0000	.0002	.0012	.0038	.0082	.0250	.0553	.1004	.1601
	\$250	.0000	.0002	.0013	.0038	.0082	.0230	.0464	.0799	.1242
	\$500	.0000	.0002	.0013	.0038	.0082	.0230	.0464	.0783	.1188

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
60	\$120	.0000	.0001	.0010	.0031	.0070	.0228	.0519	.0963	.1558
	\$250	.0000	.0001	.0010	.0032	.0070	.0203	.0422	.0746	.1180
	\$500	.0000	.0001	.0010	.0032	.0070	.0203	.0420	.0723	.1112
61	\$120	.0000	.0001	.0008	.0026	.0060	.0206	.0487	.0924	.1516
	\$250	.0000	.0001	.0008	.0026	.0059	.0177	.0383	.0695	.1118
	\$500	.0000	.0001	.0008	.0026	.0059	.0178	.0377	.0663	.1038
62	\$120	.0000	.0001	.0006	.0021	.0051	.0186	.0456	.0885	.1475
	\$250	.0000	.0001	.0006	.0021	.0049	.0154	.0346	.0645	.1058
	\$500	.0000	.0001	.0006	.0021	.0049	.0154	.0336	.0605	.0965
63	\$120	.0000	.0000	.0005	.0017	.0043	.0167	.0426	.0848	.1435
	\$250	.0000	.0000	.0005	.0017	.0040	.0133	.0311	.0597	.1000
	\$500	.0000	.0000	.0005	.0017	.0040	.0132	.0297	.0549	.0895
64	\$120	.0000	.0000	.0003	.0013	.0036	.0150	.0397	.0811	.1396
	\$250	.0000	.0000	.0003	.0013	.0032	.0113	.0278	.0550	.0943
	\$500	.0000	.0000	.0003	.0013	.0032	.0111	.0260	.0495	.0827
	\$1,000	.0000	.0000	.0003	.0013	.0032	.0111	.0261	.0495	.0823
65	\$120	.0000	.0000	.0002	.0010	.0030	.0133	.0369	.0776	.1359
	\$250	.0000	.0000	.0002	.0010	.0025	.0096	.0247	.0505	.0888
	\$500	.0000	.0000	.0002	.0010	.0025	.0092	.0226	.0444	.0761
	\$1,000	.0000	.0000	.0002	.0010	.0025	.0092	.0226	.0443	.0754
66	\$120	.0000	.0000	.0002	.0008	.0024	.0118	.0343	.0742	.1322
	\$250	.0000	.0000	.0002	.0007	.0019	.0080	.0217	.0462	.0834
	\$500	.0000	.0000	.0002	.0007	.0019	.0075	.0193	.0395	.0697
	\$1,000	.0000	.0000	.0002	.0007	.0019	.0075	.0193	.0392	.0686
67	\$120	.0000	.0000	.0001	.0006	.0020	.0104	.0318	.0709	.1287
	\$250	.0000	.0000	.0001	.0005	.0014	.0066	.0190	.0421	.0782
	\$500	.0000	.0000	.0001	.0005	.0014	.0060	.0163	.0349	.0635
	\$1,000	.0000	.0000	.0001	.0005	.0014	.0060	.0163	.0344	.0621
68	\$120	.0000	.0000	.0001	.0004	.0015	.0091	.0294	.0677	.1253
	\$250	.0000	.0000	.0001	.0003	.0010	.0053	.0165	.0382	.0731
	\$500	.0000	.0000	.0001	.0003	.0010	.0046	.0136	.0305	.0576
	\$1,000	.0000	.0000	.0001	.0003	.0010	.0046	.0135	.0298	.0558
69	\$120	.0000	.0000	.0000	.0003	.0012	.0079	.0271	.0646	.1220
	\$250	.0000	.0000	.0000	.0002	.0007	.0042	.0141	.0344	.0682
	\$500	.0000	.0000	.0000	.0002	.0007	.0035	.0111	.0264	.0518
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0035	.0109	.0255	.0496
70	\$120	.0000	.0000	.0000	.0002	.0009	.0068	.0249	.0616	.1188
	\$250	.0000	.0000	.0000	.0001	.0005	.0033	.0120	.0309	.0635
	\$500	.0000	.0000	.0000	.0001	.0004	.0026	.0089	.0225	.0462
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0025	.0086	.0214	.0437
71	\$120	.0000	.0000	.0000	.0001	.0007	.0058	.0228	.0587	.1156
	\$250	.0000	.0000	.0000	.0001	.0003	.0025	.0100	.0274	.0588
	\$500	.0000	.0000	.0000	.0001	.0002	.0018	.0069	.0188	.0408
	\$1,000	.0000	.0000	.0000	.0001	.0002	.0017	.0065	.0176	.0379

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
72	\$120	.0000	.0000	.0000	.0001	.0005	.0049	.0209	.0560	.1128
	\$250	.0000	.0000	.0000	.0000	.0002	.0018	.0082	.0243	.0545
	\$500	.0000	.0000	.0000	.0000	.0001	.0012	.0052	.0155	.0358
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0011	.0047	.0141	.0325
73	\$120	.0000	.0000	.0000	.0001	.0004	.0042	.0192	.0535	.1101
	\$250	.0000	.0000	.0000	.0000	.0001	.0013	.0067	.0215	.0505
	\$500	.0000	.0000	.0000	.0000	.0001	.0007	.0038	.0126	.0312
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0006	.0033	.0111	.0276
74	\$120	.0000	.0000	.0000	.0000	.0003	.0038	.0182	.0519	.1085
	\$250	.0000	.0000	.0000	.0000	.0001	.0010	.0059	.0198	.0480
	\$500	.0000	.0000	.0000	.0000	.0000	.0005	.0030	.0109	.0283
	\$1,000	.0000	.0000	.0000	.0000	.0000	.0004	.0025	.0093	.0245

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-980 Hazard Group 8 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 8  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.8984	.8871	.8769	.8676	.8588	.8506	.8428	.8354	.8283	.8215	.8149	.8086	.8024	.7965
2	.8946	.8825	.8715	.8615	.8521	.8433	.8350	.8271	.8195	.8122	.8052	.7984	.7918	.7854
3	.8907	.8778	.8661	.8554	.8455	.8361	.8272	.8187	.8106	.8028	.7953	.7881	.7811	.7743
4	.8868	.8731	.8607	.8493	.8387	.8287	.8192	.8102	.8016	.7933	.7854	.7777	.7702	.7630
5	.8829	.8683	.8552	.8431	.8318	.8212	.8112	.8017	.7925	.7838	.7753	.7672	.7593	.7517
6	.8790	.8636	.8497	.8369	.8249	.8137	.8031	.7931	.7834	.7741	.7652	.7566	.7483	.7402
7	.8751	.8588	.8441	.8306	.8180	.8062	.7950	.7844	.7742	.7645	.7551	.7460	.7373	.7288
8	.8712	.8540	.8386	.8243	.8111	.7987	.7869	.7757	.7650	.7547	.7449	.7353	.7261	.7172
9	.8673	.8492	.8330	.8180	.8041	.7911	.7787	.7669	.7557	.7450	.7346	.7246	.7150	.7057
10	.8633	.8444	.8274	.8117	.7971	.7834	.7705	.7581	.7464	.7351	.7243	.7138	.7038	.6940
11	.8594	.8396	.8217	.8053	.7901	.7757	.7622	.7493	.7370	.7252	.7139	.7030	.6925	.6823
12	.8554	.8347	.8161	.7989	.7830	.7680	.7538	.7404	.7276	.7153	.7035	.6921	.6812	.6706
13	.8515	.8299	.8104	.7925	.7758	.7602	.7454	.7314	.7180	.7053	.6930	.6812	.6698	.6588
14	.8475	.8250	.8046	.7860	.7686	.7523	.7370	.7224	.7085	.6952	.6824	.6702	.6584	.6470
15	.8435	.8200	.7989	.7794	.7614	.7444	.7284	.7133	.6988	.6850	.6718	.6591	.6468	.6351
16	.8395	.8151	.7931	.7729	.7541	.7365	.7199	.7041	.6891	.6748	.6611	.6480	.6353	.6231
17	.8355	.8101	.7872	.7662	.7467	.7285	.7112	.6949	.6794	.6646	.6504	.6368	.6237	.6111
18	.8314	.8051	.7813	.7596	.7393	.7204	.7025	.6856	.6696	.6542	.6396	.6255	.6120	.5991
19	.8274	.8001	.7754	.7528	.7319	.7122	.6938	.6763	.6597	.6439	.6287	.6142	.6003	.5870
20	.8233	.7950	.7695	.7461	.7244	.7041	.6849	.6669	.6497	.6334	.6178	.6029	.5886	.5748
21	.8192	.7899	.7635	.7392	.7168	.6958	.6760	.6574	.6397	.6229	.6068	.5914	.5767	.5626
22	.8151	.7847	.7574	.7323	.7091	.6874	.6671	.6478	.6296	.6122	.5957	.5799	.5648	.5503
23	.8109	.7796	.7513	.7254	.7014	.6790	.6580	.6382	.6194	.6016	.5846	.5683	.5528	.5379
24	.8068	.7743	.7451	.7184	.6936	.6705	.6489	.6284	.6091	.5908	.5733	.5567	.5408	.5255
25	.8026	.7691	.7389	.7113	.6858	.6620	.6397	.6186	.5988	.5799	.5620	.5449	.5286	.5130
26	.7984	.7638	.7326	.7041	.6778	.6533	.6304	.6087	.5883	.5690	.5506	.5331	.5164	.5004

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
27	.7941	.7584	.7263	.6969	.6698	.6446	.6210	.5988	.5778	.5580	.5392	.5212	.5041	.4878
28	.7898	.7530	.7199	.6896	.6617	.6358	.6115	.5887	.5672	.5469	.5276	.5092	.4917	.4750
29	.7856	.7476	.7135	.6823	.6536	.6269	.6020	.5786	.5565	.5357	.5159	.4972	.4793	.4622
30	.7812	.7421	.7070	.6749	.6453	.6179	.5923	.5683	.5457	.5244	.5041	.4850	.4667	.4492
31	.7769	.7366	.7004	.6674	.6370	.6089	.5826	.5580	.5348	.5130	.4923	.4727	.4540	.4362
32	.7725	.7311	.6938	.6599	.6286	.5997	.5727	.5475	.5238	.5015	.4803	.4603	.4412	.4231
33	.7682	.7255	.6871	.6522	.6202	.5905	.5628	.5370	.5127	.4899	.4683	.4478	.4284	.4098
34	.7637	.7198	.6804	.6445	.6116	.5811	.5528	.5263	.5015	.4781	.4560	.4351	.4153	.3964
35	.7593	.7141	.6736	.6367	.6029	.5717	.5426	.5155	.4901	.4662	.4437	.4224	.4021	.3829
36	.7548	.7084	.6667	.6288	.5941	.5621	.5323	.5046	.4786	.4542	.4312	.4094	.3887	.3691
37	.7503	.7026	.6598	.6209	.5853	.5524	.5219	.4935	.4670	.4420	.4185	.3963	.3752	.3554
38	.7458	.6968	.6528	.6128	.5763	.5426	.5114	.4823	.4552	.4297	.4056	.3830	.3617	.3417
39	.7413	.6909	.6457	.6048	.5673	.5328	.5008	.4711	.4433	.4172	.3927	.3698	.3482	.3280
40	.7369	.6851	.6387	.5966	.5582	.5228	.4901	.4597	.4313	.4047	.3798	.3566	.3348	.3143
41	.7324	.6792	.6316	.5885	.5491	.5129	.4794	.4483	.4192	.3922	.3669	.3434	.3213	.3007
42	.7280	.6734	.6246	.5803	.5400	.5029	.4686	.4368	.4072	.3797	.3541	.3303	.3080	.2873
43	.7236	.6676	.6175	.5722	.5308	.4928	.4578	.4253	.3952	.3673	.3413	.3172	.2948	.2740
44	.7193	.6619	.6105	.5640	.5217	.4828	.4469	.4138	.3832	.3549	.3286	.3043	.2818	.2609
45	.7150	.6562	.6035	.5559	.5125	.4727	.4360	.4023	.3712	.3425	.3160	.2915	.2689	.2480
46	.7107	.6505	.5965	.5477	.5033	.4625	.4252	.3909	.3593	.3302	.3035	.2789	.2562	.2353
47	.7065	.6448	.5895	.5395	.4940	.4524	.4143	.3794	.3474	.3180	.2911	.2663	.2437	.2229
48	.7024	.6392	.5825	.5313	.4847	.4422	.4034	.3680	.3355	.3059	.2787	.2540	.2313	.2106
49	.6983	.6336	.5756	.5231	.4754	.4321	.3926	.3566	.3237	.2938	.2666	.2417	.2191	.1986
50	.6943	.6280	.5686	.5149	.4661	.4219	.3817	.3452	.3120	.2818	.2545	.2297	.2072	.1868
51	.6903	.6225	.5616	.5066	.4568	.4117	.3708	.3338	.3003	.2700	.2426	.2178	.1955	.1754
52	.6864	.6170	.5547	.4984	.4475	.4016	.3600	.3225	.2887	.2582	.2308	.2061	.1840	.1641
53	.6825	.6116	.5477	.4902	.4382	.3914	.3492	.3112	.2771	.2465	.2191	.1946	.1727	.1532
54	.6787	.6062	.5408	.4820	.4289	.3812	.3384	.3000	.2657	.2350	.2077	.1834	.1617	.1426
55	.6750	.6008	.5340	.4738	.4196	.3711	.3277	.2889	.2543	.2236	.1964	.1723	.1510	.1322
56	.6714	.5955	.5271	.4656	.4104	.3610	.3170	.2778	.2431	.2124	.1853	.1615	.1405	.1222
57	.6679	.5903	.5204	.4575	.4012	.3510	.3063	.2668	.2320	.2013	.1744	.1509	.1303	.1125
58	.6645	.5852	.5137	.4494	.3920	.3409	.2958	.2559	.2210	.1904	.1637	.1405	.1204	.1031
59	.6611	.5802	.5070	.4414	.3829	.3310	.2852	.2451	.2101	.1796	.1532	.1304	.1108	.0940
60	.6580	.5753	.5005	.4335	.3738	.3211	.2748	.2344	.1993	.1690	.1429	.1206	.1016	.0854
61	.6549	.5705	.4941	.4257	.3649	.3113	.2645	.2238	.1887	.1586	.1329	.1111	.0926	.0771
62	.6520	.5659	.4879	.4180	.3560	.3016	.2543	.2134	.1783	.1484	.1232	.1019	.0841	.0692
63	.6492	.5614	.4817	.4104	.3472	.2920	.2441	.2030	.1680	.1385	.1137	.0930	.0758	.0617
64	.6466	.5572	.4758	.4029	.3386	.2824	.2341	.1928	.1579	.1287	.1045	.0844	.0680	.0546
65	.6442	.5531	.4700	.3956	.3300	.2730	.2242	.1827	.1480	.1192	.0955	.0762	.0606	.0480
66	.6420	.5492	.4645	.3885	.3216	.2637	.2144	.1728	.1383	.1100	.0870	.0684	.0536	.0418
67	.6400	.5456	.4591	.3815	.3133	.2545	.2047	.1631	.1288	.1010	.0787	.0609	.0470	.0360
68	.6382	.5422	.4540	.3747	.3052	.2454	.1951	.1535	.1196	.0923	.0708	.0539	.0408	.0307
69	.6366	.5391	.4490	.3681	.2971	.2365	.1857	.1440	.1105	.0839	.0631	.0472	.0350	.0259
70	.6352	.5362	.4444	.3617	.2893	.2276	.1763	.1347	.1016	.0758	.0559	.0409	.0297	.0214
71	.6339	.5335	.4399	.3553	.2813	.2186	.1669	.1253	.0928	.0677	.0489	.0349	.0247	.0173
72	.6330	.5312	.4358	.3494	.2738	.2100	.1579	.1165	.0845	.0603	.0424	.0295	.0203	.0138
73	.6322	.5293	.4321	.3438	.2667	.2018	.1493	.1080	.0766	.0534	.0366	.0247	.0164	.0108
74	.6319	.5281	.4299	.3403	.2620	.1965	.1436	.1025	.0716	.0491	.0330	.0218	.0142	.0091

## Premium-Based Plan, with no Single Loss Limit

**Insurance Savings Table**  
**Hazard Group 8**  
**Effective October 29, 2010**

<b>Minimum Loss Ratio</b>									
<b>Size</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>	<b>50%</b>	<b>60%</b>
1	.0000	.0404	.0830	.1275	.1734	.2674	.3631	.4599	.5576
2	.0000	.0392	.0810	.1250	.1705	.2636	.3585	.4545	.5515
3	.0000	.0379	.0791	.1226	.1675	.2597	.3538	.4491	.5454
4	.0000	.0367	.0772	.1202	.1646	.2558	.3491	.4437	.5393
5	.0000	.0355	.0753	.1178	.1617	.2519	.3443	.4382	.5331
6	.0000	.0343	.0735	.1154	.1587	.2480	.3396	.4327	.5269
7	.0000	.0332	.0717	.1130	.1558	.2441	.3348	.4271	.5206
8	.0000	.0321	.0699	.1106	.1528	.2402	.3300	.4216	.5143
9	.0000	.0310	.0681	.1082	.1499	.2363	.3252	.4160	.5080
10	.0000	.0299	.0664	.1059	.1470	.2323	.3204	.4104	.5017
11	.0000	.0289	.0647	.1035	.1441	.2284	.3156	.4047	.4953
12	.0000	.0279	.0630	.1012	.1411	.2244	.3107	.3991	.4889
13	.0000	.0269	.0613	.0988	.1382	.2205	.3059	.3934	.4825
14	.0000	.0259	.0596	.0965	.1353	.2165	.3010	.3876	.4760
15	.0000	.0250	.0579	.0941	.1323	.2125	.2960	.3819	.4694
16	.0000	.0240	.0562	.0918	.1294	.2085	.2911	.3761	.4629
17	.0000	.0231	.0546	.0895	.1265	.2045	.2861	.3702	.4562
18	.0000	.0222	.0529	.0871	.1235	.2004	.2811	.3643	.4496
19	.0000	.0214	.0513	.0848	.1206	.1964	.2761	.3584	.4428
20	.0000	.0205	.0496	.0825	.1176	.1923	.2710	.3525	.4361
21	.0000	.0196	.0480	.0802	.1147	.1882	.2659	.3465	.4292
22	.0000	.0188	.0464	.0778	.1117	.1841	.2607	.3404	.4223
23	.0000	.0180	.0448	.0755	.1087	.1799	.2556	.3343	.4154
24	.0000	.0171	.0432	.0732	.1057	.1758	.2503	.3281	.4084
25	.0000	.0163	.0416	.0709	.1028	.1716	.2451	.3219	.4013
26	.0000	.0155	.0400	.0686	.0998	.1674	.2398	.3156	.3941
27	.0000	.0148	.0384	.0663	.0968	.1631	.2344	.3093	.3869
28	.0000	.0140	.0369	.0640	.0938	.1588	.2290	.3029	.3796
29	.0000	.0133	.0353	.0617	.0908	.1546	.2236	.2965	.3723
30	.0000	.0125	.0338	.0594	.0878	.1502	.2181	.2900	.3649
31	.0000	.0118	.0323	.0571	.0847	.1459	.2126	.2834	.3574
32	.0000	.0111	.0308	.0548	.0817	.1415	.2071	.2768	.3499
33	.0000	.0104	.0293	.0525	.0787	.1372	.2015	.2701	.3422
34	.0000	.0098	.0278	.0503	.0757	.1327	.1958	.2634	.3345
35	.0000	.0091	.0264	.0480	.0727	.1283	.1901	.2566	.3267
36	.0000	.0085	.0249	.0458	.0696	.1238	.1844	.2497	.3188
37	.0000	.0079	.0235	.0435	.0666	.1193	.1786	.2428	.3109
38	.0000	.0073	.0221	.0413	.0636	.1148	.1728	.2358	.3028
39	.0000	.0067	.0207	.0391	.0606	.1103	.1669	.2287	.2948
40	.0000	.0062	.0194	.0370	.0576	.1059	.1611	.2217	.2866
41	.0000	.0056	.0181	.0348	.0547	.1014	.1552	.2146	.2785
42	.0000	.0052	.0169	.0328	.0518	.0970	.1494	.2076	.2703

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
43	.0000	.0047	.0156	.0307	.0490	.0926	.1436	.2005	.2622
44	.0000	.0042	.0145	.0288	.0462	.0883	.1379	.1935	.2540
45	.0000	.0038	.0133	.0269	.0435	.0840	.1322	.1865	.2459
46	.0000	.0034	.0123	.0250	.0408	.0797	.1265	.1795	.2377
47	.0000	.0031	.0112	.0232	.0382	.0755	.1208	.1725	.2295
48	.0000	.0027	.0102	.0214	.0356	.0714	.1152	.1655	.2213
49	.0000	.0024	.0093	.0197	.0331	.0673	.1096	.1586	.2131
50	.0000	.0021	.0084	.0181	.0307	.0633	.1040	.1516	.2049
51	.0000	.0019	.0075	.0165	.0283	.0593	.0985	.1446	.1966
52	.0000	.0016	.0067	.0150	.0260	.0554	.0930	.1377	.1884
53	.0000	.0014	.0060	.0135	.0238	.0515	.0876	.1307	.1802
54	.0000	.0012	.0053	.0121	.0217	.0477	.0822	.1238	.1720
55	.0000	.0010	.0046	.0108	.0196	.0440	.0768	.1170	.1638
56	.0000	.0008	.0040	.0096	.0176	.0404	.0715	.1101	.1556
57	.0000	.0007	.0034	.0084	.0157	.0369	.0663	.1034	.1475
58	.0000	.0006	.0029	.0073	.0139	.0335	.0612	.0967	.1394
59	.0000	.0005	.0024	.0063	.0122	.0301	.0562	.0900	.1314
60	.0000	.0004	.0020	.0054	.0106	.0270	.0513	.0835	.1235
61	.0000	.0003	.0016	.0045	.0091	.0239	.0465	.0771	.1157
62	.0000	.0002	.0013	.0037	.0077	.0210	.0419	.0709	.1080
63	.0000	.0002	.0010	.0030	.0064	.0182	.0374	.0647	.1004
64	.0000	.0001	.0008	.0024	.0053	.0156	.0332	.0588	.0929
65	.0000	.0001	.0006	.0019	.0043	.0132	.0291	.0530	.0856
66	.0000	.0001	.0004	.0014	.0033	.0110	.0252	.0475	.0785
67	.0000	.0000	.0003	.0010	.0026	.0090	.0216	.0421	.0715
68	.0000	.0000	.0002	.0007	.0019	.0072	.0182	.0370	.0647
69	.0000	.0000	.0001	.0005	.0013	.0056	.0151	.0320	.0581
70	.0000	.0000	.0001	.0003	.0009	.0042	.0122	.0274	.0517
71	.0000	.0000	.0000	.0002	.0005	.0029	.0095	.0229	.0453
72	.0000	.0000	.0000	.0001	.0003	.0020	.0072	.0188	.0394
73	.0000	.0000	.0000	.0000	.0001	.0012	.0053	.0151	.0338
74	.0000	.0000	.0000	.0000	.0001	.0009	.0041	.0129	.0303

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 8  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7364	.6844	.6378	.5956	.5570	.5249	.5003	.4803	.4637	.4497	.4378	.4276	.4192	.3859
41	\$120	.7319	.6786	.6308	.5874	.5486	.5184	.4945	.4749	.4585	.4447	.4329	.4232	.4157	.3859
42	\$120	.7275	.6728	.6237	.5792	.5416	.5125	.4890	.4697	.4534	.4397	.4283	.4195	.4126	.3859
43	\$120	.7231	.6670	.6166	.5714	.5354	.5069	.4837	.4644	.4483	.4349	.4244	.4162	.4098	.3859
44	\$120	.7188	.6612	.6096	.5647	.5296	.5014	.4784	.4592	.4433	.4307	.4209	.4132	.4072	.3859
45	\$120	.7145	.6555	.6026	.5586	.5241	.4961	.4731	.4540	.4387	.4269	.4177	.4104	.4047	.3859

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
46	\$120	.7103	.6498	.5961	.5531	.5187	.4908	.4679	.4491	.4347	.4234	.4147	.4077	.4024	.3859
47	\$120	.7061	.6441	.5904	.5477	.5135	.4856	.4626	.4447	.4309	.4201	.4117	.4053	.4004	.3859
48	\$120	.7019	.6385	.5850	.5426	.5083	.4802	.4578	.4406	.4273	.4170	.4090	.4031	.3986	.3859
49	\$120	.6979	.6332	.5800	.5375	.5031	.4751	.4534	.4367	.4239	.4140	.4066	.4011	.3970	.3859
50	\$120	.6938	.6283	.5752	.5325	.4978	.4703	.4492	.4330	.4206	.4113	.4044	.3993	.3955	.3859
	\$250	.6941	.6278	.5683	.5144	.4656	.4223	.3860	.3554	.3295	.3075	.2887	.2726	.2590	.2476
51	\$120	.6899	.6238	.5705	.5275	.4927	.4658	.4452	.4294	.4175	.4088	.4023	.3976	.3942	.3859
	\$250	.6901	.6223	.5613	.5062	.4565	.4139	.3780	.3478	.3223	.3005	.2820	.2663	.2533	.2426
52	\$120	.6860	.6196	.5659	.5224	.4879	.4614	.4412	.4260	.4147	.4064	.4004	.3961	.3930	.3859
	\$250	.6862	.6168	.5543	.4979	.4480	.4059	.3704	.3405	.3151	.2935	.2754	.2604	.2481	.2380
53	\$120	.6823	.6155	.5613	.5175	.4833	.4572	.4374	.4228	.4120	.4042	.3987	.3947	.3920	.3859
	\$250	.6824	.6113	.5474	.4898	.4402	.3983	.3630	.3332	.3079	.2867	.2692	.2549	.2432	.2337
54	\$120	.6789	.6116	.5567	.5128	.4789	.4531	.4338	.4197	.4095	.4022	.3971	.3935	.3910	.3859
	\$250	.6786	.6059	.5405	.4823	.4327	.3909	.3557	.3259	.3009	.2803	.2634	.2498	.2386	.2297
55	\$120	.6757	.6077	.5521	.5083	.4746	.4491	.4304	.4169	.4072	.4004	.3957	.3924	.3902	.3859
	\$250	.6749	.6006	.5337	.4752	.4255	.3837	.3484	.3187	.2942	.2742	.2580	.2449	.2343	.2259
56	\$120	.6728	.6039	.5477	.5038	.4703	.4454	.4272	.4142	.4050	.3987	.3944	.3915	.3895	.3859
	\$250	.6713	.5953	.5272	.4684	.4185	.3765	.3411	.3118	.2878	.2684	.2527	.2402	.2302	.2224
57	\$120	.6700	.6000	.5435	.4995	.4662	.4417	.4241	.4116	.4030	.3972	.3932	.3906	.3889	.3859
	\$250	.6678	.5901	.5211	.4618	.4116	.3693	.3340	.3051	.2817	.2628	.2478	.2358	.2265	.2192
58	\$120	.6672	.5963	.5394	.4953	.4623	.4382	.4211	.4093	.4012	.3958	.3922	.3899	.3884	.3859
	\$250	.6643	.5851	.5153	.4555	.4048	.3622	.3272	.2987	.2758	.2575	.2430	.2318	.2230	.2162
	\$500	.6644	.5851	.5135	.4492	.3917	.3408	.2963	.2580	.2251	.1969	.1730	.1527	.1356	.1212
59	\$120	.6646	.5928	.5353	.4912	.4584	.4348	.4183	.4071	.3995	.3945	.3913	.3892	.3880	.3859
	\$250	.6610	.5803	.5097	.4492	.3980	.3554	.3206	.2925	.2701	.2524	.2386	.2279	.2198	.2136
	\$500	.6611	.5801	.5069	.4412	.3826	.3312	.2867	.2484	.2157	.1879	.1644	.1447	.1282	.1146
60	\$120	.6621	.5893	.5314	.4872	.4547	.4316	.4157	.4050	.3979	.3934	.3905	.3887	.3876	.3859
	\$250	.6578	.5759	.5043	.4430	.3913	.3487	.3141	.2864	.2646	.2476	.2344	.2244	.2168	.2111
	\$500	.6579	.5752	.5004	.4333	.3738	.3220	.2773	.2391	.2066	.1792	.1562	.1371	.1213	.1084
61	\$120	.6596	.5860	.5275	.4833	.4511	.4285	.4132	.4031	.3965	.3924	.3898	.3882	.3873	.3859
	\$250	.6548	.5717	.4990	.4368	.3848	.3422	.3078	.2806	.2593	.2430	.2305	.2211	.2141	.2089
	\$500	.6548	.5704	.4940	.4255	.3653	.3130	.2681	.2299	.1976	.1706	.1482	.1298	.1147	.1025
62	\$120	.6573	.5827	.5238	.4795	.4476	.4256	.4109	.4013	.3952	.3914	.3892	.3878	.3870	.3859
	\$250	.6520	.5677	.4939	.4309	.3785	.3358	.3017	.2750	.2543	.2386	.2268	.2181	.2116	.2070
	\$500	.6519	.5658	.4877	.4181	.3570	.3042	.2591	.2209	.1889	.1624	.1406	.1229	.1086	.0970
63	\$120	.6551	.5796	.5201	.4758	.4443	.4228	.4087	.3997	.3940	.3906	.3886	.3874	.3868	.3859
	\$250	.6495	.5638	.4889	.4251	.3723	.3296	.2958	.2696	.2496	.2345	.2234	.2153	.2094	.2052
	\$500	.6492	.5614	.4817	.4108	.3489	.2955	.2501	.2120	.1804	.1545	.1333	.1163	.1027	.0919
64	\$120	.6530	.5765	.5166	.4722	.4411	.4202	.4066	.3982	.3930	.3899	.3882	.3871	.3866	.3859
	\$250	.6471	.5602	.4840	.4195	.3663	.3236	.2901	.2644	.2450	.2307	.2202	.2127	.2074	.2037
	\$500	.6466	.5571	.4759	.4038	.3410	.2870	.2414	.2034	.1722	.1468	.1264	.1101	.0973	.0872
	\$1,000	.6466	.5572	.4758	.4029	.3385	.2824	.2340	.1928	.1581	.1291	.1050	.0853	.0691	.0561
65	\$120	.6510	.5736	.5131	.4688	.4380	.4177	.4047	.3968	.3921	.3893	.3878	.3869	.3864	.3859
	\$250	.6450	.5567	.4793	.4139	.3604	.3177	.2845	.2594	.2407	.2271	.2173	.2104	.2056	.2023
	\$500	.6442	.5531	.4704	.3970	.3332	.2786	.2328	.1950	.1642	.1394	.1197	.1042	.0922	.0829
	\$1,000	.6442	.5531	.4700	.3956	.3300	.2730	.2242	.1829	.1484	.1198	.0964	.0773	.0620	.0498
66	\$120	.6492	.5708	.5098	.4655	.4351	.4153	.4030	.3955	.3912	.3888	.3874	.3867	.3863	.3859
	\$250	.6430	.5533	.4748	.4086	.3546	.3120	.2792	.2547	.2367	.2238	.2147	.2084	.2040	.2011
	\$500	.6420	.5493	.4651	.3904	.3255	.2704	.2245	.1868	.1565	.1323	.1134	.0987	.0875	.0790
	\$1,000	.6420	.5492	.4644	.3884	.3216	.2637	.2145	.1731	.1389	.1108	.0881	.0698	.0553	.0439
67	\$120	.6474	.5681	.5066	.4622	.4323	.4131	.4013	.3944	.3905	.3883	.3872	.3865	.3862	.3859
	\$250	.6412	.5502	.4705	.4034	.3490	.3064	.2740	.2501	.2329	.2207	.2122	.2065	.2027	.2001
	\$500	.6400	.5458	.4601	.3839	.3181	.2624	.2163	.1789	.1490	.1256	.1074	.0936	.0832	.0754

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$1,000	.6400	.5456	.4591	.3815	.3133	.2546	.2049	.1636	.1296	.1021	.0801	.0627	.0491	.0386
68	\$120	.6458	.5655	.5034	.4591	.4296	.4110	.3998	.3934	.3898	.3879	.3869	.3864	.3861	.3859
	\$250	.6395	.5473	.4663	.3983	.3435	.3010	.2691	.2458	.2293	.2178	.2101	.2049	.2015	.1993
	\$500	.6382	.5426	.4552	.3777	.3108	.2545	.2083	.1711	.1418	.1191	.1018	.0889	.0792	.0722
	\$1,000	.6382	.5422	.4539	.3747	.3053	.2457	.1955	.1542	.1206	.0937	.0725	.0560	.0433	.0337
69	\$120	.6443	.5630	.5004	.4562	.4270	.4090	.3984	.3925	.3893	.3876	.3867	.3863	.3861	.3859
	\$250	.6380	.5445	.4623	.3934	.3382	.2958	.2643	.2417	.2260	.2152	.2081	.2034	.2004	.1986
	\$500	.6366	.5396	.4506	.3717	.3037	.2468	.2004	.1636	.1349	.1130	.0966	.0845	.0757	.0694
	\$1,000	.6365	.5391	.4490	.3681	.2973	.2368	.1863	.1449	.1118	.0856	.0653	.0497	.0380	.0292
70	\$120	.6428	.5606	.4975	.4533	.4246	.4072	.3972	.3917	.3888	.3873	.3866	.3862	.3860	.3859
	\$250	.6367	.5419	.4584	.3887	.3331	.2908	.2598	.2379	.2229	.2128	.2063	.2021	.1996	.1980
	\$500	.6353	.5368	.4463	.3658	.2967	.2392	.1928	.1563	.1282	.1072	.0917	.0804	.0725	.0669
	\$1,000	.6352	.5362	.4444	.3618	.2895	.2281	.1772	.1359	.1033	.0779	.0585	.0439	.0332	.0253
71	\$120	.6415	.5583	.4947	.4505	.4223	.4054	.3960	.3909	.3883	.3870	.3864	.3861	.3860	.3859
	\$250	.6355	.5395	.4547	.3839	.3280	.2858	.2553	.2342	.2199	.2106	.2047	.2010	.1988	.1974
	\$500	.6341	.5343	.4421	.3601	.2898	.2317	.1852	.1490	.1217	.1016	.0870	.0767	.0695	.0646
	\$1,000	.6339	.5335	.4399	.3555	.2817	.2193	.1680	.1269	.0948	.0703	.0520	.0385	.0287	.0217
72	\$120	.6403	.5561	.4920	.4479	.4202	.4039	.3950	.3903	.3880	.3869	.3863	.3861	.3860	.3859
	\$250	.6346	.5373	.4513	.3796	.3232	.2812	.2513	.2308	.2173	.2087	.2034	.2001	.1982	.1971
	\$500	.6332	.5321	.4384	.3548	.2833	.2246	.1780	.1424	.1158	.0965	.0829	.0735	.0671	.0628
	\$1,000	.6330	.5313	.4359	.3497	.2744	.2110	.1594	.1185	.0871	.0635	.0461	.0337	.0249	.0188
73	\$120	.6393	.5542	.4896	.4456	.4182	.4025	.3941	.3898	.3877	.3867	.3862	.3861	.3860	.3859
	\$250	.6337	.5354	.4481	.3755	.3188	.2770	.2476	.2278	.2151	.2071	.2022	.1993	.1977	.1967
	\$500	.6325	.5303	.4350	.3499	.2773	.2179	.1714	.1362	.1104	.0920	.0793	.0707	.0650	.0613
	\$1,000	.6323	.5293	.4323	.3443	.2675	.2032	.1512	.1106	.0799	.0572	.0410	.0295	.0216	.0163
74	\$120	.6386	.5530	.4881	.4441	.4171	.4017	.3936	.3895	.3875	.3866	.3862	.3860	.3860	.3859
	\$250	.6333	.5342	.4462	.3730	.3161	.2743	.2453	.2260	.2137	.2061	.2016	.1989	.1974	.1966
	\$500	.6321	.5292	.4329	.3468	.2734	.2137	.1672	.1323	.1070	.0893	.0772	.0691	.0638	.0605
	\$1,000	.6319	.5282	.4301	.3409	.2631	.1982	.1460	.1056	.0754	.0534	.0378	.0271	.0198	.0149

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 8  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0061	.0193	.0368	.0573	.1054	.1604	.2208	.2856
41	\$120	.0000	.0056	.0180	.0347	.0544	.1009	.1546	.2138	.2774
42	\$120	.0000	.0051	.0167	.0326	.0515	.0965	.1488	.2067	.2692
43	\$120	.0000	.0046	.0155	.0306	.0487	.0921	.1430	.1996	.2614
44	\$120	.0000	.0042	.0144	.0286	.0459	.0878	.1372	.1926	.2547
45	\$120	.0000	.0038	.0132	.0267	.0432	.0835	.1315	.1856	.2486
46	\$120	.0000	.0034	.0122	.0248	.0405	.0793	.1258	.1791	.2431
47	\$120	.0000	.0030	.0111	.0230	.0379	.0751	.1201	.1734	.2377
48	\$120	.0000	.0027	.0102	.0213	.0354	.0709	.1145	.1680	.2326
49	\$120	.0000	.0024	.0092	.0196	.0329	.0669	.1092	.1630	.2275
50	\$120	.0000	.0021	.0083	.0179	.0305	.0628	.1043	.1582	.2225

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0021	.0084	.0180	.0306	.0631	.1038	.1513	.2044
51	\$120	.0000	.0018	.0075	.0164	.0281	.0589	.0998	.1535	.2175
	\$250	.0000	.0018	.0075	.0165	.0282	.0591	.0983	.1443	.1962
52	\$120	.0000	.0016	.0067	.0149	.0258	.0550	.0956	.1489	.2124
	\$250	.0000	.0016	.0067	.0149	.0259	.0552	.0928	.1373	.1879
53	\$120	.0000	.0014	.0059	.0134	.0236	.0513	.0915	.1443	.2075
	\$250	.0000	.0014	.0059	.0135	.0237	.0514	.0873	.1304	.1798
54	\$120	.0000	.0012	.0052	.0120	.0215	.0479	.0876	.1397	.2028
	\$250	.0000	.0012	.0052	.0121	.0216	.0476	.0819	.1235	.1723
55	\$120	.0000	.0010	.0045	.0107	.0194	.0447	.0837	.1351	.1983
	\$250	.0000	.0010	.0046	.0108	.0195	.0439	.0766	.1167	.1652
56	\$120	.0000	.0008	.0039	.0095	.0174	.0418	.0799	.1307	.1938
	\$250	.0000	.0008	.0040	.0096	.0175	.0403	.0713	.1102	.1584
57	\$120	.0000	.0007	.0034	.0083	.0155	.0390	.0760	.1265	.1895
	\$250	.0000	.0007	.0034	.0084	.0156	.0368	.0661	.1041	.1518
58	\$120	.0000	.0006	.0029	.0072	.0138	.0362	.0723	.1224	.1853
	\$250	.0000	.0006	.0029	.0073	.0138	.0333	.0611	.0983	.1455
	\$500	.0000	.0006	.0029	.0073	.0139	.0334	.0611	.0965	.1392
59	\$120	.0000	.0004	.0024	.0062	.0122	.0336	.0688	.1183	.1812
	\$250	.0000	.0004	.0024	.0063	.0121	.0300	.0563	.0927	.1392
	\$500	.0000	.0004	.0024	.0063	.0122	.0301	.0561	.0899	.1312
60	\$120	.0000	.0004	.0020	.0053	.0108	.0311	.0653	.1144	.1772
	\$250	.0000	.0004	.0020	.0053	.0106	.0268	.0519	.0873	.1330
	\$500	.0000	.0004	.0020	.0054	.0106	.0269	.0512	.0834	.1233
61	\$120	.0000	.0003	.0016	.0045	.0095	.0286	.0620	.1105	.1733
	\$250	.0000	.0003	.0016	.0045	.0091	.0238	.0477	.0820	.1268
	\$500	.0000	.0003	.0016	.0045	.0091	.0238	.0464	.0770	.1155
62	\$120	.0000	.0002	.0013	.0037	.0083	.0263	.0587	.1068	.1695
	\$250	.0000	.0002	.0013	.0037	.0077	.0210	.0437	.0769	.1209
	\$500	.0000	.0002	.0013	.0037	.0077	.0209	.0418	.0707	.1081
63	\$120	.0000	.0002	.0010	.0031	.0072	.0241	.0556	.1031	.1658
	\$250	.0000	.0002	.0010	.0030	.0064	.0185	.0398	.0719	.1151
	\$500	.0000	.0002	.0010	.0030	.0064	.0182	.0374	.0647	.1008
64	\$120	.0000	.0001	.0008	.0026	.0062	.0220	.0525	.0996	.1622
	\$250	.0000	.0001	.0008	.0024	.0053	.0161	.0362	.0670	.1095
	\$500	.0000	.0001	.0008	.0024	.0053	.0156	.0331	.0589	.0938
	\$1,000	.0000	.0001	.0008	.0024	.0053	.0156	.0332	.0588	.0929
65	\$120	.0000	.0001	.0006	.0021	.0053	.0200	.0496	.0961	.1588
	\$250	.0000	.0001	.0006	.0019	.0043	.0140	.0327	.0623	.1039
	\$500	.0000	.0001	.0006	.0019	.0042	.0132	.0291	.0534	.0870
	\$1,000	.0000	.0001	.0006	.0019	.0043	.0132	.0291	.0530	.0856
66	\$120	.0000	.0001	.0004	.0017	.0045	.0182	.0468	.0928	.1555
	\$250	.0000	.0001	.0004	.0014	.0034	.0120	.0293	.0578	.0986
	\$500	.0000	.0001	.0004	.0014	.0033	.0110	.0253	.0481	.0804

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0001	.0004	.0014	.0033	.0110	.0252	.0474	.0784
67	\$120	.0000	.0000	.0003	.0013	.0038	.0164	.0441	.0896	.1522
	\$250	.0000	.0000	.0003	.0010	.0026	.0102	.0262	.0535	.0934
	\$500	.0000	.0000	.0003	.0010	.0025	.0090	.0218	.0431	.0739
	\$1,000	.0000	.0000	.0003	.0010	.0026	.0090	.0216	.0421	.0715
68	\$120	.0000	.0000	.0002	.0010	.0031	.0148	.0415	.0864	.1491
	\$250	.0000	.0000	.0002	.0007	.0020	.0085	.0233	.0493	.0883
	\$500	.0000	.0000	.0002	.0007	.0019	.0072	.0186	.0382	.0677
	\$1,000	.0000	.0000	.0002	.0007	.0019	.0072	.0182	.0369	.0647
69	\$120	.0000	.0000	.0001	.0008	.0026	.0133	.0390	.0834	.1462
	\$250	.0000	.0000	.0001	.0005	.0015	.0070	.0205	.0453	.0834
	\$500	.0000	.0000	.0001	.0005	.0013	.0056	.0156	.0336	.0617
	\$1,000	.0000	.0000	.0001	.0005	.0013	.0055	.0151	.0320	.0581
70	\$120	.0000	.0000	.0001	.0006	.0021	.0118	.0366	.0805	.1433
	\$250	.0000	.0000	.0001	.0003	.0011	.0057	.0179	.0414	.0787
	\$500	.0000	.0000	.0001	.0003	.0009	.0043	.0128	.0293	.0558
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0042	.0122	.0274	.0518
71	\$120	.0000	.0000	.0001	.0004	.0017	.0105	.0343	.0777	.1405
	\$250	.0000	.0000	.0000	.0002	.0007	.0045	.0155	.0377	.0739
	\$500	.0000	.0000	.0000	.0002	.0006	.0031	.0103	.0251	.0501
	\$1,000	.0000	.0000	.0000	.0002	.0005	.0029	.0095	.0229	.0455
72	\$120	.0000	.0000	.0000	.0003	.0013	.0093	.0321	.0750	.1379
	\$250	.0000	.0000	.0000	.0001	.0005	.0036	.0133	.0343	.0696
	\$500	.0000	.0000	.0000	.0001	.0003	.0022	.0081	.0214	.0448
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0020	.0073	.0189	.0397
73	\$120	.0000	.0000	.0000	.0002	.0010	.0083	.0302	.0726	.1356
	\$250	.0000	.0000	.0000	.0001	.0003	.0027	.0114	.0311	.0655
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0063	.0180	.0399
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0013	.0053	.0153	.0343
74	\$120	.0000	.0000	.0000	.0002	.0009	.0076	.0290	.0711	.1341
	\$250	.0000	.0000	.0000	.0000	.0002	.0023	.0102	.0292	.0630
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0052	.0159	.0368
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0042	.0131	.0309

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 8  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9437	.9319	.9212	.9113	.9021	.8935	.8853	.8775	.8701	.8629	.8560	.8493	.8429	.8366
2	.9397	.9269	.9155	.9049	.8951	.8859	.8771	.8688	.8608	.8531	.8457	.8386	.8317	.8250
3	.9356	.9221	.9098	.8986	.8881	.8782	.8689	.8600	.8515	.8433	.8355	.8278	.8205	.8133
4	.9315	.9171	.9041	.8921	.8809	.8705	.8605	.8511	.8420	.8333	.8250	.8169	.8091	.8015

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
5	.9274	.9121	.8983	.8856	.8738	.8626	.8521	.8421	.8325	.8233	.8144	.8059	.7976	.7896
6	.9233	.9071	.8925	.8791	.8665	.8548	.8436	.8330	.8229	.8132	.8038	.7948	.7860	.7776
7	.9192	.9021	.8867	.8725	.8593	.8469	.8351	.8240	.8133	.8030	.7931	.7836	.7744	.7655
8	.9151	.8971	.8808	.8659	.8520	.8389	.8266	.8148	.8036	.7928	.7824	.7724	.7628	.7534
9	.9110	.8920	.8750	.8593	.8447	.8309	.8180	.8056	.7938	.7825	.7716	.7612	.7510	.7412
10	.9069	.8870	.8691	.8526	.8373	.8229	.8093	.7964	.7840	.7722	.7608	.7498	.7392	.7290
11	.9027	.8819	.8632	.8459	.8299	.8148	.8006	.7871	.7742	.7618	.7499	.7385	.7274	.7167
12	.8986	.8768	.8572	.8392	.8224	.8067	.7918	.7777	.7642	.7513	.7389	.7270	.7155	.7044
13	.8944	.8717	.8512	.8324	.8149	.7985	.7830	.7683	.7542	.7408	.7279	.7155	.7036	.6920
14	.8902	.8665	.8452	.8256	.8074	.7903	.7741	.7588	.7442	.7302	.7168	.7040	.6915	.6796
15	.8860	.8614	.8391	.8187	.7998	.7820	.7652	.7492	.7341	.7196	.7057	.6923	.6795	.6671
16	.8818	.8562	.8331	.8118	.7921	.7736	.7562	.7396	.7239	.7089	.6945	.6806	.6673	.6545
17	.8776	.8509	.8269	.8049	.7844	.7652	.7471	.7300	.7136	.6981	.6832	.6689	.6552	.6419
18	.8734	.8457	.8207	.7979	.7766	.7567	.7380	.7202	.7033	.6872	.6718	.6571	.6429	.6293
19	.8691	.8404	.8145	.7908	.7688	.7482	.7288	.7104	.6929	.6763	.6604	.6452	.6306	.6165
20	.8648	.8351	.8083	.7837	.7609	.7396	.7195	.7005	.6825	.6653	.6490	.6333	.6182	.6038
21	.8605	.8297	.8019	.7765	.7529	.7309	.7101	.6905	.6719	.6543	.6374	.6212	.6058	.5909
22	.8562	.8243	.7956	.7693	.7449	.7221	.7007	.6805	.6613	.6431	.6257	.6092	.5933	.5780
23	.8518	.8189	.7892	.7620	.7368	.7133	.6912	.6704	.6506	.6319	.6140	.5970	.5807	.5651
24	.8474	.8134	.7827	.7546	.7286	.7043	.6816	.6601	.6398	.6206	.6022	.5847	.5680	.5520
25	.8430	.8079	.7762	.7472	.7203	.6953	.6719	.6498	.6290	.6092	.5904	.5724	.5553	.5389
26	.8386	.8023	.7696	.7396	.7120	.6862	.6621	.6394	.6180	.5977	.5784	.5600	.5424	.5257
27	.8342	.7967	.7629	.7321	.7036	.6771	.6523	.6290	.6070	.5861	.5663	.5475	.5295	.5124
28	.8297	.7910	.7562	.7244	.6951	.6678	.6423	.6184	.5958	.5744	.5542	.5349	.5165	.4990
29	.8252	.7853	.7494	.7167	.6865	.6585	.6323	.6077	.5846	.5627	.5419	.5222	.5034	.4855
30	.8206	.7795	.7426	.7089	.6779	.6491	.6222	.5969	.5732	.5508	.5296	.5094	.4902	.4719
31	.8161	.7738	.7357	.7011	.6692	.6396	.6120	.5861	.5618	.5389	.5171	.4965	.4769	.4582
32	.8115	.7679	.7288	.6931	.6603	.6299	.6016	.5751	.5502	.5267	.5045	.4835	.4635	.4444
33	.8069	.7621	.7218	.6851	.6514	.6202	.5912	.5641	.5386	.5146	.4919	.4704	.4500	.4305
34	.8022	.7561	.7147	.6770	.6424	.6104	.5807	.5528	.5268	.5022	.4790	.4571	.4362	.4164
35	.7976	.7501	.7076	.6688	.6333	.6005	.5700	.5415	.5148	.4897	.4661	.4437	.4224	.4022
36	.7929	.7441	.7003	.6605	.6241	.5904	.5592	.5300	.5027	.4771	.4529	.4300	.4083	.3877
37	.7882	.7380	.6930	.6522	.6148	.5803	.5483	.5184	.4905	.4643	.4396	.4162	.3942	.3734
38	.7835	.7319	.6857	.6437	.6054	.5700	.5372	.5067	.4781	.4513	.4261	.4023	.3800	.3589
39	.7787	.7258	.6783	.6352	.5959	.5596	.5260	.4948	.4656	.4382	.4125	.3884	.3658	.3445
40	.7740	.7196	.6709	.6267	.5863	.5492	.5148	.4829	.4530	.4251	.3990	.3745	.3516	.3302
41	.7693	.7135	.6635	.6182	.5768	.5387	.5035	.4709	.4404	.4119	.3854	.3607	.3375	.3159
42	.7647	.7074	.6561	.6096	.5672	.5282	.4922	.4588	.4277	.3988	.3720	.3469	.3236	.3018
43	.7601	.7013	.6487	.6010	.5576	.5177	.4808	.4467	.4151	.3858	.3585	.3332	.3097	.2878
44	.7555	.6953	.6413	.5925	.5480	.5071	.4694	.4346	.4025	.3727	.3452	.3197	.2960	.2741
45	.7510	.6893	.6339	.5839	.5383	.4965	.4580	.4226	.3899	.3598	.3319	.3062	.2825	.2605
46	.7466	.6833	.6266	.5753	.5286	.4858	.4466	.4106	.3774	.3469	.3188	.2929	.2691	.2472
47	.7422	.6773	.6192	.5667	.5189	.4752	.4352	.3985	.3649	.3341	.3057	.2798	.2559	.2341
48	.7378	.6714	.6119	.5581	.5092	.4645	.4238	.3865	.3525	.3213	.2928	.2668	.2430	.2212
49	.7335	.6655	.6046	.5495	.4994	.4539	.4124	.3745	.3401	.3086	.2800	.2539	.2302	.2086
50	.7293	.6597	.5973	.5408	.4896	.4432	.4009	.3626	.3277	.2960	.2673	.2413	.2176	.1963
51	.7251	.6539	.5900	.5322	.4799	.4325	.3895	.3506	.3154	.2836	.2548	.2288	.2053	.1842
52	.7210	.6481	.5826	.5235	.4701	.4218	.3782	.3388	.3032	.2712	.2424	.2165	.1933	.1724
53	.7169	.6424	.5753	.5149	.4603	.4111	.3668	.3269	.2911	.2590	.2302	.2044	.1814	.1609
54	.7130	.6367	.5681	.5063	.4506	.4005	.3555	.3152	.2791	.2469	.2182	.1926	.1699	.1497
55	.7091	.6311	.5609	.4976	.4408	.3898	.3442	.3035	.2672	.2349	.2063	.1810	.1586	.1389
56	.7053	.6256	.5537	.4891	.4311	.3792	.3329	.2918	.2553	.2231	.1946	.1696	.1476	.1283
57	.7016	.6201	.5466	.4805	.4214	.3687	.3218	.2803	.2437	.2114	.1832	.1585	.1369	.1181
58	.6980	.6147	.5396	.4721	.4118	.3581	.3107	.2688	.2321	.2000	.1719	.1476	.1265	.1083
59	.6945	.6094	.5326	.4637	.4022	.3477	.2996	.2575	.2207	.1886	.1609	.1370	.1164	.0988

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
60	.6911	.6043	.5258	.4554	.3927	.3373	.2887	.2462	.2094	.1775	.1502	.1267	.1067	.0897
61	.6879	.5993	.5190	.4471	.3833	.3270	.2778	.2351	.1983	.1666	.1396	.1167	.0973	.0810
62	.6848	.5944	.5125	.4390	.3740	.3168	.2671	.2241	.1873	.1559	.1294	.1070	.0883	.0727
63	.6819	.5897	.5060	.4311	.3647	.3067	.2564	.2133	.1765	.1455	.1194	.0977	.0797	.0648
64	.6792	.5853	.4998	.4232	.3556	.2967	.2459	.2025	.1659	.1352	.1097	.0887	.0714	.0574
65	.6767	.5810	.4937	.4156	.3467	.2868	.2355	.1920	.1555	.1252	.1004	.0801	.0636	.0504
66	.6744	.5769	.4879	.4081	.3378	.2770	.2252	.1816	.1453	.1155	.0913	.0718	.0563	.0439
67	.6722	.5731	.4822	.4007	.3291	.2674	.2150	.1713	.1353	.1061	.0827	.0640	.0493	.0379
68	.6703	.5696	.4768	.3936	.3206	.2578	.2050	.1612	.1256	.0970	.0743	.0566	.0428	.0323
69	.6687	.5662	.4717	.3866	.3121	.2484	.1950	.1513	.1160	.0881	.0663	.0495	.0368	.0272
70	.6672	.5632	.4668	.3799	.3039	.2391	.1852	.1415	.1067	.0796	.0587	.0430	.0312	.0225
71	.6659	.5604	.4620	.3732	.2955	.2296	.1753	.1317	.0974	.0711	.0513	.0366	.0259	.0182
72	.6649	.5580	.4578	.3670	.2876	.2206	.1658	.1224	.0887	.0633	.0446	.0310	.0213	.0145
73	.6641	.5560	.4539	.3612	.2801	.2120	.1568	.1135	.0805	.0561	.0384	.0259	.0172	.0113
74	.6637	.5548	.4515	.3575	.2753	.2064	.1508	.1077	.0753	.0515	.0346	.0229	.0149	.0096

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 8  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0425	.0872	.1340	.1822	.2809	.3814	.4831	.5857
2	.0000	.0412	.0851	.1314	.1791	.2769	.3765	.4775	.5793
3	.0000	.0399	.0831	.1288	.1760	.2728	.3716	.4718	.5729
4	.0000	.0386	.0810	.1262	.1729	.2687	.3667	.4660	.5665
5	.0000	.0373	.0791	.1237	.1698	.2646	.3617	.4603	.5600
6	.0000	.0361	.0772	.1212	.1667	.2605	.3567	.4545	.5534
7	.0000	.0349	.0753	.1187	.1636	.2564	.3517	.4486	.5469
8	.0000	.0337	.0734	.1162	.1605	.2523	.3467	.4428	.5403
9	.0000	.0325	.0716	.1137	.1575	.2482	.3416	.4369	.5336
10	.0000	.0314	.0697	.1112	.1544	.2440	.3366	.4310	.5270
11	.0000	.0303	.0679	.1087	.1513	.2399	.3315	.4251	.5203
12	.0000	.0293	.0661	.1063	.1482	.2357	.3264	.4192	.5136
13	.0000	.0282	.0644	.1038	.1452	.2316	.3213	.4132	.5068
14	.0000	.0272	.0626	.1013	.1421	.2274	.3161	.4072	.5000
15	.0000	.0262	.0608	.0989	.1390	.2232	.3109	.4011	.4931
16	.0000	.0253	.0591	.0964	.1359	.2190	.3058	.3950	.4862
17	.0000	.0243	.0573	.0940	.1328	.2148	.3005	.3889	.4792
18	.0000	.0234	.0556	.0915	.1297	.2105	.2953	.3827	.4722
19	.0000	.0224	.0539	.0891	.1266	.2063	.2900	.3765	.4652
20	.0000	.0215	.0521	.0867	.1236	.2020	.2847	.3702	.4581
21	.0000	.0206	.0504	.0842	.1204	.1977	.2793	.3639	.4509
22	.0000	.0197	.0487	.0818	.1173	.1934	.2739	.3576	.4436
23	.0000	.0189	.0470	.0793	.1142	.1890	.2684	.3511	.4363
24	.0000	.0180	.0454	.0769	.1111	.1846	.2630	.3447	.4290
25	.0000	.0172	.0437	.0745	.1079	.1802	.2574	.3381	.4215
26	.0000	.0163	.0420	.0720	.1048	.1758	.2519	.3315	.4140

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
27	.0000	.0155	.0404	.0696	.1017	.1713	.2462	.3249	.4064
28	.0000	.0147	.0387	.0672	.0985	.1669	.2406	.3182	.3988
29	.0000	.0139	.0371	.0648	.0953	.1624	.2349	.3114	.3911
30	.0000	.0132	.0355	.0624	.0922	.1578	.2291	.3046	.3833
31	.0000	.0124	.0339	.0600	.0890	.1533	.2234	.2977	.3754
32	.0000	.0117	.0323	.0576	.0858	.1487	.2175	.2908	.3675
33	.0000	.0110	.0308	.0552	.0827	.1441	.2116	.2838	.3595
34	.0000	.0103	.0292	.0528	.0795	.1394	.2057	.2767	.3514
35	.0000	.0096	.0277	.0504	.0763	.1348	.1997	.2695	.3432
36	.0000	.0089	.0262	.0481	.0731	.1301	.1937	.2623	.3349
37	.0000	.0083	.0247	.0457	.0700	.1254	.1876	.2550	.3266
38	.0000	.0076	.0232	.0434	.0668	.1206	.1815	.2477	.3181
39	.0000	.0070	.0218	.0411	.0636	.1159	.1753	.2403	.3096
40	.0000	.0065	.0204	.0388	.0605	.1112	.1692	.2329	.3011
41	.0000	.0059	.0190	.0366	.0575	.1065	.1631	.2254	.2925
42	.0000	.0054	.0177	.0344	.0544	.1019	.1570	.2180	.2840
43	.0000	.0049	.0164	.0323	.0515	.0973	.1509	.2106	.2754
44	.0000	.0045	.0152	.0302	.0485	.0927	.1448	.2033	.2668
45	.0000	.0040	.0140	.0282	.0457	.0882	.1388	.1959	.2583
46	.0000	.0036	.0129	.0263	.0429	.0837	.1329	.1886	.2497
47	.0000	.0032	.0118	.0243	.0401	.0793	.1269	.1812	.2411
48	.0000	.0029	.0108	.0225	.0374	.0750	.1210	.1739	.2325
49	.0000	.0025	.0098	.0207	.0348	.0707	.1151	.1666	.2239
50	.0000	.0022	.0088	.0190	.0322	.0664	.1093	.1592	.2152
51	.0000	.0020	.0079	.0173	.0298	.0623	.1035	.1519	.2065
52	.0000	.0017	.0071	.0157	.0273	.0582	.0977	.1446	.1979
53	.0000	.0015	.0063	.0142	.0250	.0541	.0920	.1373	.1892
54	.0000	.0012	.0055	.0128	.0227	.0502	.0863	.1301	.1806
55	.0000	.0011	.0048	.0114	.0206	.0463	.0807	.1228	.1720
56	.0000	.0009	.0042	.0101	.0185	.0425	.0751	.1157	.1634
57	.0000	.0007	.0036	.0088	.0165	.0388	.0697	.1086	.1549
58	.0000	.0006	.0030	.0077	.0146	.0352	.0643	.1015	.1464
59	.0000	.0005	.0026	.0066	.0128	.0317	.0590	.0946	.1380
60	.0000	.0004	.0021	.0056	.0111	.0283	.0539	.0877	.1297
61	.0000	.0003	.0017	.0047	.0096	.0251	.0488	.0810	.1215
62	.0000	.0002	.0014	.0039	.0081	.0220	.0440	.0744	.1134
63	.0000	.0002	.0011	.0032	.0068	.0191	.0393	.0680	.1054
64	.0000	.0001	.0008	.0025	.0056	.0164	.0348	.0618	.0976
65	.0000	.0001	.0006	.0020	.0045	.0139	.0306	.0557	.0899
66	.0000	.0001	.0004	.0015	.0035	.0116	.0265	.0499	.0824
67	.0000	.0000	.0003	.0011	.0027	.0094	.0227	.0442	.0751
68	.0000	.0000	.0002	.0008	.0020	.0075	.0191	.0388	.0680
69	.0000	.0000	.0001	.0005	.0014	.0058	.0158	.0337	.0610
70	.0000	.0000	.0001	.0003	.0009	.0044	.0128	.0288	.0543
71	.0000	.0000	.0000	.0002	.0006	.0031	.0100	.0240	.0476
72	.0000	.0000	.0000	.0001	.0003	.0021	.0076	.0197	.0414

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
73	.0000	.0000	.0000	.0000	.0002	.0013	.0055	.0159	.0356
74	.0000	.0000	.0000	.0000	.0001	.0009	.0043	.0135	.0318

Loss-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 8  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7735	.7189	.6700	.6256	.5850	.5514	.5255	.5045	.4871	.4724	.4599	.4492	.4403	.4054
41	\$120	.7688	.7128	.6626	.6170	.5763	.5446	.5195	.4989	.4817	.4671	.4548	.4445	.4366	.4054
42	\$120	.7642	.7067	.6551	.6085	.5689	.5384	.5137	.4933	.4763	.4619	.4499	.4407	.4334	.4054
43	\$120	.7596	.7006	.6477	.6002	.5624	.5324	.5081	.4879	.4709	.4568	.4458	.4372	.4304	.4054
44	\$120	.7550	.6946	.6404	.5931	.5563	.5267	.5025	.4824	.4656	.4524	.4421	.4341	.4277	.4054
45	\$120	.7505	.6885	.6330	.5868	.5505	.5211	.4970	.4769	.4608	.4484	.4388	.4311	.4251	.4054
46	\$120	.7461	.6826	.6262	.5809	.5449	.5156	.4915	.4718	.4566	.4448	.4356	.4283	.4227	.4054
47	\$120	.7417	.6766	.6201	.5754	.5394	.5100	.4860	.4671	.4526	.4413	.4325	.4257	.4206	.4054
48	\$120	.7373	.6707	.6145	.5699	.5339	.5045	.4809	.4628	.4489	.4380	.4297	.4234	.4187	.4054
49	\$120	.7330	.6651	.6093	.5646	.5284	.4990	.4763	.4587	.4452	.4349	.4271	.4213	.4170	.4054
50	\$120	.7288	.6600	.6042	.5593	.5229	.4940	.4718	.4548	.4418	.4320	.4248	.4194	.4154	.4054
	\$250	.7291	.6594	.5969	.5404	.4891	.4436	.4054	.3733	.3461	.3230	.3033	.2864	.2720	.2601
51	\$120	.7246	.6553	.5993	.5541	.5176	.4893	.4676	.4510	.4386	.4294	.4226	.4176	.4141	.4054
	\$250	.7249	.6536	.5896	.5317	.4795	.4347	.3971	.3654	.3385	.3157	.2962	.2797	.2661	.2549
52	\$120	.7205	.6508	.5945	.5488	.5125	.4847	.4635	.4474	.4356	.4269	.4206	.4161	.4128	.4054
	\$250	.7208	.6479	.5823	.5231	.4706	.4264	.3891	.3576	.3310	.3083	.2892	.2735	.2606	.2500
53	\$120	.7167	.6466	.5896	.5436	.5077	.4803	.4595	.4441	.4328	.4246	.4188	.4146	.4117	.4054
	\$250	.7168	.6422	.5750	.5145	.4624	.4184	.3813	.3500	.3235	.3012	.2828	.2677	.2555	.2455
54	\$120	.7131	.6424	.5848	.5386	.5031	.4759	.4557	.4409	.4302	.4225	.4171	.4134	.4108	.4054
	\$250	.7128	.6365	.5677	.5066	.4545	.4106	.3736	.3423	.3161	.2944	.2767	.2623	.2507	.2412
55	\$120	.7098	.6383	.5800	.5339	.4985	.4718	.4521	.4379	.4277	.4206	.4156	.4122	.4099	.4054
	\$250	.7089	.6309	.5606	.4991	.4470	.4030	.3659	.3348	.3090	.2880	.2710	.2572	.2461	.2373
56	\$120	.7067	.6343	.5754	.5293	.4940	.4678	.4487	.4351	.4255	.4188	.4143	.4112	.4092	.4054
	\$250	.7051	.6253	.5537	.4920	.4396	.3954	.3583	.3275	.3023	.2819	.2655	.2523	.2418	.2336
57	\$120	.7037	.6303	.5709	.5247	.4897	.4640	.4455	.4324	.4234	.4172	.4131	.4103	.4085	.4054
	\$250	.7014	.6199	.5473	.4851	.4324	.3879	.3509	.3205	.2959	.2761	.2602	.2477	.2379	.2302
58	\$120	.7009	.6264	.5666	.5202	.4856	.4603	.4424	.4299	.4214	.4157	.4120	.4096	.4080	.4054
	\$250	.6978	.6146	.5412	.4784	.4252	.3805	.3437	.3138	.2897	.2705	.2553	.2434	.2342	.2271
	\$500	.6979	.6146	.5394	.4718	.4115	.3579	.3113	.2710	.2364	.2068	.1817	.1604	.1424	.1273
59	\$120	.6981	.6227	.5623	.5159	.4815	.4568	.4394	.4276	.4196	.4144	.4110	.4089	.4075	.4054
	\$250	.6944	.6096	.5354	.4718	.4180	.3733	.3367	.3072	.2837	.2651	.2506	.2394	.2308	.2243
	\$500	.6944	.6093	.5324	.4634	.4019	.3479	.3012	.2609	.2266	.1974	.1727	.1520	.1347	.1204
60	\$120	.6954	.6190	.5582	.5117	.4776	.4534	.4367	.4254	.4180	.4132	.4102	.4083	.4071	.4054
	\$250	.6910	.6049	.5297	.4653	.4110	.3663	.3300	.3009	.2779	.2600	.2462	.2357	.2277	.2218
	\$500	.6911	.6042	.5256	.4551	.3927	.3383	.2913	.2511	.2170	.1882	.1641	.1440	.1274	.1138
61	\$120	.6929	.6155	.5541	.5076	.4738	.4502	.4340	.4234	.4165	.4121	.4094	.4078	.4068	.4054
	\$250	.6878	.6005	.5242	.4589	.4042	.3594	.3234	.2948	.2724	.2552	.2421	.2322	.2249	.2195
	\$500	.6879	.5992	.5189	.4470	.3837	.3288	.2816	.2415	.2076	.1792	.1557	.1364	.1205	.1077
62	\$120	.6904	.6121	.5502	.5037	.4702	.4471	.4316	.4215	.4151	.4112	.4088	.4073	.4065	.4054
	\$250	.6849	.5963	.5188	.4526	.3976	.3528	.3169	.2889	.2672	.2507	.2383	.2291	.2223	.2174
	\$500	.6848	.5943	.5123	.4392	.3750	.3195	.2721	.2320	.1984	.1706	.1477	.1291	.1140	.1019

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
63	\$120	.6881	.6088	.5463	.4998	.4667	.4441	.4293	.4198	.4139	.4103	.4082	.4070	.4063	.4054
	\$250	.6822	.5923	.5135	.4465	.3911	.3462	.3107	.2832	.2622	.2464	.2347	.2261	.2200	.2155
	\$500	.6819	.5897	.5060	.4316	.3665	.3104	.2628	.2227	.1895	.1622	.1401	.1222	.1079	.0966
64	\$120	.6859	.6056	.5426	.4960	.4633	.4414	.4271	.4182	.4128	.4096	.4077	.4067	.4061	.4054
	\$250	.6798	.5884	.5084	.4406	.3847	.3399	.3047	.2777	.2574	.2423	.2314	.2235	.2179	.2139
	\$500	.6792	.5852	.4999	.4242	.3581	.3015	.2536	.2137	.1809	.1542	.1327	.1157	.1022	.0916
	\$1,000	.6792	.5853	.4998	.4232	.3556	.2966	.2458	.2026	.1661	.1356	.1103	.0896	.0726	.0589
65	\$120	.6839	.6025	.5390	.4924	.4601	.4387	.4251	.4168	.4118	.4089	.4073	.4064	.4059	.4054
	\$250	.6775	.5847	.5035	.4348	.3785	.3337	.2989	.2725	.2529	.2386	.2283	.2210	.2160	.2125
	\$500	.6767	.5810	.4941	.4170	.3500	.2927	.2446	.2048	.1725	.1464	.1257	.1095	.0968	.0871
	\$1,000	.6767	.5810	.4937	.4155	.3466	.2868	.2355	.1921	.1558	.1258	.1012	.0812	.0651	.0523
66	\$120	.6819	.5996	.5355	.4889	.4570	.4362	.4233	.4155	.4109	.4084	.4070	.4062	.4058	.4054
	\$250	.6754	.5812	.4988	.4292	.3725	.3277	.2933	.2675	.2486	.2351	.2255	.2189	.2143	.2113
	\$500	.6743	.5770	.4886	.4101	.3419	.2841	.2358	.1962	.1644	.1390	.1191	.1037	.0919	.0830
	\$1,000	.6744	.5769	.4879	.4080	.3378	.2770	.2253	.1819	.1459	.1164	.0925	.0733	.0581	.0461
67	\$120	.6801	.5967	.5321	.4855	.4541	.4339	.4215	.4143	.4102	.4079	.4067	.4060	.4057	.4054
	\$250	.6735	.5780	.4942	.4237	.3666	.3219	.2879	.2627	.2446	.2318	.2230	.2169	.2129	.2102
	\$500	.6722	.5733	.4832	.4033	.3341	.2756	.2272	.1879	.1565	.1319	.1129	.0983	.0874	.0792
	\$1,000	.6722	.5731	.4822	.4007	.3291	.2675	.2153	.1718	.1361	.1072	.0841	.0659	.0516	.0405
68	\$120	.6783	.5940	.5288	.4823	.4512	.4317	.4200	.4132	.4095	.4075	.4064	.4059	.4056	.4054
	\$250	.6718	.5749	.4898	.4184	.3609	.3162	.2827	.2582	.2409	.2288	.2206	.2152	.2116	.2093
	\$500	.6704	.5699	.4782	.3968	.3265	.2674	.2188	.1797	.1490	.1251	.1070	.0933	.0832	.0759
	\$1,000	.6703	.5696	.4768	.3936	.3206	.2581	.2054	.1619	.1267	.0984	.0762	.0588	.0455	.0354
69	\$120	.6767	.5914	.5257	.4792	.4486	.4296	.4185	.4123	.4089	.4071	.4062	.4058	.4056	.4054
	\$250	.6702	.5719	.4856	.4132	.3553	.3107	.2777	.2539	.2373	.2261	.2186	.2137	.2105	.2086
	\$500	.6687	.5668	.4734	.3904	.3190	.2592	.2105	.1718	.1417	.1187	.1014	.0887	.0795	.0729
	\$1,000	.6686	.5662	.4717	.3867	.3123	.2487	.1957	.1522	.1174	.0899	.0686	.0523	.0399	.0307
70	\$120	.6752	.5889	.5226	.4762	.4460	.4277	.4172	.4114	.4084	.4068	.4061	.4057	.4055	.4054
	\$250	.6688	.5692	.4816	.4083	.3499	.3054	.2729	.2499	.2341	.2236	.2167	.2123	.2096	.2079
	\$500	.6673	.5639	.4688	.3843	.3117	.2513	.2025	.1641	.1347	.1126	.0963	.0845	.0761	.0702
	\$1,000	.6672	.5632	.4668	.3800	.3041	.2396	.1861	.1428	.1085	.0818	.0614	.0462	.0348	.0266
71	\$120	.6738	.5864	.5196	.4732	.4436	.4259	.4160	.4106	.4079	.4066	.4059	.4056	.4055	.4054
	\$250	.6676	.5667	.4776	.4033	.3445	.3002	.2682	.2460	.2310	.2212	.2150	.2112	.2088	.2074
	\$500	.6661	.5612	.4644	.3782	.3044	.2434	.1945	.1565	.1279	.1067	.0914	.0806	.0731	.0679
	\$1,000	.6659	.5604	.4621	.3734	.2959	.2304	.1765	.1333	.0996	.0739	.0546	.0404	.0301	.0228
72	\$120	.6726	.5842	.5168	.4705	.4413	.4243	.4149	.4100	.4075	.4064	.4058	.4056	.4054	.4054
	\$250	.6665	.5644	.4740	.3987	.3395	.2954	.2639	.2425	.2283	.2192	.2136	.2102	.2082	.2070
	\$500	.6651	.5590	.4605	.3727	.2976	.2359	.1870	.1495	.1216	.1014	.0871	.0772	.0705	.0660
	\$1,000	.6649	.5580	.4579	.3673	.2882	.2217	.1674	.1245	.0915	.0667	.0485	.0354	.0261	.0197
73	\$120	.6715	.5821	.5143	.4680	.4393	.4228	.4140	.4094	.4072	.4062	.4057	.4055	.4054	.4054
	\$250	.6657	.5624	.4707	.3945	.3349	.2909	.2601	.2393	.2259	.2175	.2124	.2094	.2077	.2067
	\$500	.6644	.5570	.4569	.3675	.2913	.2289	.1800	.1430	.1159	.0967	.0833	.0743	.0683	.0644
	\$1,000	.6641	.5560	.4541	.3616	.2810	.2134	.1588	.1162	.0839	.0601	.0430	.0310	.0227	.0171
74	\$120	.6708	.5809	.5127	.4665	.4381	.4220	.4134	.4091	.4070	.4061	.4057	.4055	.4054	.4054
	\$250	.6652	.5612	.4687	.3918	.3320	.2881	.2576	.2374	.2245	.2165	.2117	.2089	.2074	.2065
	\$500	.6640	.5559	.4547	.3643	.2872	.2245	.1756	.1390	.1124	.0938	.0811	.0726	.0671	.0635
	\$1,000	.6637	.5549	.4518	.3581	.2764	.2081	.1534	.1109	.0792	.0561	.0397	.0284	.0208	.0157

\*Single Loss Limit values are expressed in thousands of dollars.

Loss-Based Plan, with Various Single Loss Limits

Insurance Savings Table  
Hazard Group 8  
Effective October 29, 2010

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0064	.0203	.0386	.0602	.1107	.1685	.2320	.3000
41	\$120	.0000	.0059	.0189	.0364	.0572	.1060	.1624	.2245	.2914
42	\$120	.0000	.0054	.0176	.0342	.0541	.1014	.1563	.2171	.2828
43	\$120	.0000	.0049	.0163	.0321	.0512	.0968	.1502	.2097	.2746
44	\$120	.0000	.0044	.0151	.0300	.0482	.0922	.1441	.2023	.2675
45	\$120	.0000	.0040	.0139	.0280	.0454	.0877	.1381	.1950	.2612
46	\$120	.0000	.0036	.0128	.0261	.0426	.0833	.1322	.1882	.2553
47	\$120	.0000	.0032	.0117	.0242	.0398	.0789	.1262	.1821	.2497
48	\$120	.0000	.0028	.0107	.0223	.0372	.0745	.1203	.1765	.2443
49	\$120	.0000	.0025	.0097	.0206	.0345	.0702	.1147	.1713	.2390
50	\$120	.0000	.0022	.0087	.0188	.0320	.0660	.1096	.1662	.2337
	\$250	.0000	.0022	.0088	.0189	.0321	.0663	.1090	.1589	.2147
51	\$120	.0000	.0019	.0078	.0172	.0295	.0618	.1049	.1613	.2284
	\$250	.0000	.0019	.0079	.0173	.0297	.0621	.1032	.1516	.2061
52	\$120	.0000	.0017	.0070	.0156	.0271	.0577	.1004	.1564	.2231
	\$250	.0000	.0017	.0070	.0157	.0273	.0580	.0975	.1443	.1974
53	\$120	.0000	.0014	.0062	.0141	.0248	.0539	.0961	.1516	.2179
	\$250	.0000	.0014	.0062	.0142	.0249	.0540	.0917	.1370	.1889
54	\$120	.0000	.0012	.0055	.0126	.0225	.0503	.0920	.1467	.2130
	\$250	.0000	.0012	.0055	.0127	.0227	.0500	.0861	.1297	.1810
55	\$120	.0000	.0010	.0048	.0113	.0204	.0470	.0879	.1419	.2083
	\$250	.0000	.0010	.0048	.0113	.0205	.0461	.0804	.1225	.1735
56	\$120	.0000	.0009	.0041	.0100	.0183	.0439	.0839	.1373	.2036
	\$250	.0000	.0009	.0042	.0100	.0184	.0423	.0749	.1157	.1664
57	\$120	.0000	.0007	.0035	.0087	.0163	.0409	.0799	.1329	.1991
	\$250	.0000	.0007	.0036	.0088	.0164	.0386	.0694	.1093	.1595
58	\$120	.0000	.0006	.0030	.0076	.0145	.0381	.0760	.1285	.1946
	\$250	.0000	.0006	.0030	.0077	.0145	.0350	.0641	.1032	.1528
	\$500	.0000	.0006	.0030	.0077	.0146	.0351	.0642	.1014	.1462
59	\$120	.0000	.0005	.0025	.0065	.0129	.0353	.0722	.1243	.1903
	\$250	.0000	.0005	.0025	.0066	.0128	.0315	.0592	.0974	.1462
	\$500	.0000	.0005	.0025	.0066	.0128	.0316	.0589	.0944	.1378
60	\$120	.0000	.0004	.0021	.0056	.0114	.0326	.0686	.1201	.1861
	\$250	.0000	.0004	.0021	.0056	.0111	.0282	.0545	.0917	.1397
	\$500	.0000	.0004	.0021	.0056	.0111	.0283	.0538	.0876	.1295
61	\$120	.0000	.0003	.0017	.0047	.0100	.0300	.0651	.1161	.1820
	\$250	.0000	.0003	.0017	.0047	.0095	.0250	.0501	.0862	.1332
	\$500	.0000	.0003	.0017	.0047	.0095	.0250	.0488	.0809	.1214
62	\$120	.0000	.0002	.0014	.0039	.0088	.0276	.0617	.1122	.1780
	\$250	.0000	.0002	.0014	.0039	.0081	.0221	.0459	.0808	.1270

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$500	.0000	.0002	.0014	.0039	.0081	.0220	.0439	.0743	.1135
63	\$120	.0000	.0002	.0011	.0033	.0076	.0253	.0584	.1083	.1742
	\$250	.0000	.0002	.0011	.0032	.0067	.0194	.0419	.0755	.1209
	\$500	.0000	.0002	.0011	.0032	.0068	.0191	.0392	.0680	.1059
64	\$120	.0000	.0001	.0008	.0027	.0065	.0231	.0552	.1046	.1704
	\$250	.0000	.0001	.0008	.0025	.0055	.0169	.0380	.0704	.1150
	\$500	.0000	.0001	.0008	.0025	.0055	.0164	.0348	.0619	.0986
	\$1,000	.0000	.0001	.0008	.0025	.0056	.0164	.0348	.0617	.0976
65	\$120	.0000	.0001	.0006	.0022	.0056	.0210	.0521	.1010	.1668
	\$250	.0000	.0001	.0006	.0020	.0045	.0147	.0343	.0655	.1092
	\$500	.0000	.0001	.0006	.0020	.0045	.0138	.0305	.0561	.0914
	\$1,000	.0000	.0001	.0006	.0020	.0045	.0139	.0306	.0557	.0899
66	\$120	.0000	.0001	.0005	.0018	.0047	.0191	.0492	.0975	.1633
	\$250	.0000	.0001	.0004	.0015	.0036	.0126	.0308	.0607	.1036
	\$500	.0000	.0001	.0004	.0015	.0035	.0115	.0266	.0505	.0844
	\$1,000	.0000	.0001	.0004	.0015	.0035	.0115	.0265	.0498	.0824
67	\$120	.0000	.0000	.0003	.0014	.0040	.0172	.0463	.0941	.1599
	\$250	.0000	.0000	.0003	.0011	.0028	.0107	.0275	.0562	.0981
	\$500	.0000	.0000	.0003	.0011	.0027	.0094	.0229	.0452	.0777
	\$1,000	.0000	.0000	.0003	.0011	.0027	.0094	.0227	.0442	.0751
68	\$120	.0000	.0000	.0002	.0011	.0033	.0155	.0436	.0908	.1567
	\$250	.0000	.0000	.0002	.0008	.0021	.0089	.0244	.0518	.0928
	\$500	.0000	.0000	.0002	.0008	.0020	.0076	.0195	.0402	.0711
	\$1,000	.0000	.0000	.0002	.0008	.0020	.0075	.0191	.0388	.0680
69	\$120	.0000	.0000	.0002	.0008	.0027	.0139	.0409	.0876	.1535
	\$250	.0000	.0000	.0001	.0005	.0016	.0074	.0215	.0476	.0876
	\$500	.0000	.0000	.0001	.0005	.0014	.0059	.0164	.0353	.0648
	\$1,000	.0000	.0000	.0001	.0005	.0014	.0058	.0158	.0337	.0611
70	\$120	.0000	.0000	.0001	.0006	.0022	.0124	.0384	.0846	.1505
	\$250	.0000	.0000	.0001	.0004	.0011	.0060	.0188	.0435	.0826
	\$500	.0000	.0000	.0001	.0003	.0009	.0045	.0135	.0308	.0587
	\$1,000	.0000	.0000	.0001	.0003	.0009	.0044	.0128	.0288	.0544
71	\$120	.0000	.0000	.0001	.0004	.0017	.0110	.0360	.0816	.1476
	\$250	.0000	.0000	.0000	.0002	.0008	.0048	.0162	.0396	.0777
	\$500	.0000	.0000	.0000	.0002	.0006	.0033	.0108	.0264	.0526
	\$1,000	.0000	.0000	.0000	.0002	.0006	.0031	.0100	.0241	.0478
72	\$120	.0000	.0000	.0000	.0003	.0014	.0098	.0338	.0788	.1449
	\$250	.0000	.0000	.0000	.0001	.0005	.0037	.0140	.0360	.0731
	\$500	.0000	.0000	.0000	.0001	.0003	.0023	.0085	.0224	.0471
	\$1,000	.0000	.0000	.0000	.0001	.0003	.0021	.0076	.0199	.0417
73	\$120	.0000	.0000	.0000	.0002	.0011	.0087	.0317	.0763	.1424
	\$250	.0000	.0000	.0000	.0001	.0003	.0029	.0120	.0327	.0688
	\$500	.0000	.0000	.0000	.0000	.0002	.0015	.0066	.0189	.0419
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0013	.0056	.0161	.0360

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
74	\$120	.0000	.0000	.0000	.0002	.0009	.0080	.0305	.0747	.1409
	\$250	.0000	.0000	.0000	.0000	.0002	.0024	.0107	.0306	.0662
	\$500	.0000	.0000	.0000	.0000	.0001	.0011	.0055	.0167	.0387
	\$1,000	.0000	.0000	.0000	.0000	.0001	.0009	.0044	.0138	.0324

\*Single Loss Limit values are expressed in thousands of dollars.

**NEW SECTION**

**WAC 296-17B-990 Hazard Group 9 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 9  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9093	.9002	.8920	.8843	.8771	.8703	.8638	.8575	.8515	.8457	.8402	.8347	.8295	.8244
2	.9061	.8963	.8874	.8792	.8714	.8640	.8570	.8503	.8439	.8377	.8317	.8259	.8202	.8147
3	.9029	.8924	.8828	.8740	.8656	.8577	.8502	.8430	.8362	.8295	.8231	.8169	.8108	.8050
4	.8996	.8884	.8781	.8686	.8597	.8513	.8433	.8356	.8283	.8212	.8143	.8077	.8013	.7950
5	.8963	.8843	.8734	.8633	.8538	.8448	.8363	.8281	.8203	.8128	.8055	.7984	.7916	.7849
6	.8929	.8802	.8686	.8578	.8478	.8382	.8292	.8205	.8122	.8042	.7965	.7890	.7818	.7747
7	.8896	.8761	.8637	.8524	.8417	.8316	.8220	.8129	.8041	.7956	.7874	.7795	.7719	.7644
8	.8862	.8719	.8589	.8468	.8356	.8249	.8148	.8051	.7959	.7869	.7783	.7700	.7619	.7540
9	.8827	.8676	.8539	.8412	.8294	.8181	.8075	.7973	.7875	.7781	.7691	.7603	.7518	.7435
10	.8792	.8634	.8489	.8356	.8231	.8113	.8001	.7894	.7791	.7693	.7597	.7505	.7416	.7329
11	.8757	.8591	.8439	.8299	.8168	.8044	.7927	.7814	.7707	.7603	.7503	.7407	.7313	.7222
12	.8722	.8547	.8389	.8242	.8104	.7974	.7851	.7734	.7621	.7512	.7408	.7307	.7209	.7114
13	.8687	.8504	.8337	.8184	.8040	.7904	.7775	.7652	.7534	.7421	.7312	.7206	.7104	.7005
14	.8651	.8459	.8285	.8125	.7974	.7833	.7698	.7569	.7446	.7328	.7214	.7105	.6998	.6895
15	.8614	.8415	.8233	.8065	.7908	.7760	.7620	.7486	.7358	.7234	.7116	.7002	.6891	.6784
16	.8578	.8370	.8180	.8005	.7842	.7687	.7541	.7401	.7268	.7140	.7017	.6898	.6783	.6672
17	.8541	.8324	.8127	.7945	.7774	.7614	.7461	.7316	.7177	.7044	.6916	.6793	.6674	.6559
18	.8504	.8278	.8073	.7883	.7706	.7539	.7380	.7230	.7086	.6948	.6815	.6687	.6564	.6444
19	.8466	.8232	.8018	.7821	.7637	.7463	.7299	.7142	.6993	.6850	.6712	.6580	.6452	.6329
20	.8429	.8185	.7963	.7758	.7567	.7387	.7216	.7054	.6899	.6751	.6609	.6472	.6340	.6212
21	.8390	.8137	.7907	.7694	.7496	.7309	.7132	.6964	.6804	.6651	.6504	.6362	.6226	.6094
22	.8351	.8089	.7850	.7630	.7424	.7231	.7048	.6874	.6708	.6550	.6398	.6251	.6111	.5975
23	.8312	.8040	.7793	.7564	.7351	.7151	.6962	.6782	.6611	.6447	.6290	.6139	.5994	.5855
24	.8273	.7991	.7734	.7498	.7277	.7070	.6875	.6689	.6512	.6343	.6181	.6026	.5877	.5733
25	.8233	.7941	.7675	.7431	.7203	.6988	.6786	.6595	.6412	.6238	.6071	.5911	.5758	.5610
26	.8192	.7890	.7615	.7362	.7127	.6906	.6697	.6499	.6311	.6131	.5960	.5795	.5637	.5485
27	.8152	.7839	.7555	.7293	.7050	.6821	.6606	.6402	.6208	.6024	.5847	.5678	.5515	.5359
28	.8110	.7787	.7493	.7223	.6972	.6736	.6514	.6304	.6104	.5914	.5732	.5558	.5391	.5231
29	.8068	.7734	.7431	.7152	.6893	.6650	.6421	.6204	.5999	.5803	.5617	.5438	.5267	.5102
30	.8026	.7681	.7368	.7080	.6812	.6562	.6326	.6103	.5892	.5691	.5499	.5316	.5140	.4971
31	.7983	.7627	.7304	.7007	.6731	.6473	.6230	.6001	.5784	.5577	.5380	.5192	.5012	.4838
32	.7940	.7572	.7239	.6933	.6648	.6382	.6133	.5897	.5674	.5461	.5259	.5066	.4881	.4704
33	.7896	.7517	.7173	.6857	.6564	.6291	.6034	.5792	.5562	.5344	.5137	.4939	.4749	.4568
34	.7852	.7461	.7106	.6781	.6479	.6197	.5933	.5684	.5449	.5225	.5012	.4809	.4615	.4429
35	.7807	.7404	.7038	.6703	.6392	.6103	.5831	.5575	.5333	.5104	.4886	.4678	.4479	.4288

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
36	.7762	.7346	.6969	.6624	.6304	.6006	.5727	.5464	.5216	.4980	.4757	.4543	.4340	.4146
37	.7716	.7287	.6899	.6544	.6215	.5908	.5621	.5351	.5096	.4855	.4626	.4407	.4200	.4003
38	.7670	.7228	.6828	.6462	.6124	.5808	.5514	.5236	.4975	.4727	.4492	.4269	.4059	.3859
39	.7623	.7168	.6757	.6380	.6031	.5708	.5405	.5120	.4852	.4598	.4358	.4132	.3918	.3715
40	.7576	.7108	.6684	.6296	.5938	.5606	.5294	.5003	.4727	.4467	.4223	.3993	.3776	.3571
41	.7529	.7047	.6611	.6212	.5844	.5502	.5183	.4883	.4601	.4337	.4089	.3855	.3635	.3428
42	.7483	.6987	.6538	.6128	.5750	.5399	.5071	.4764	.4476	.4206	.3954	.3717	.3494	.3285
43	.7436	.6926	.6465	.6043	.5655	.5294	.4958	.4643	.4350	.4076	.3819	.3579	.3354	.3143
44	.7389	.6865	.6391	.5958	.5559	.5188	.4843	.4523	.4224	.3945	.3685	.3442	.3215	.3003
45	.7343	.6804	.6317	.5872	.5462	.5082	.4729	.4402	.4098	.3815	.3552	.3306	.3078	.2865
46	.7296	.6743	.6243	.5786	.5365	.4975	.4615	.4282	.3972	.3685	.3419	.3171	.2941	.2728
47	.7250	.6682	.6168	.5699	.5266	.4868	.4500	.4160	.3846	.3555	.3286	.3037	.2806	.2593
48	.7204	.6621	.6093	.5611	.5168	.4760	.4385	.4039	.3720	.3426	.3154	.2904	.2673	.2460
49	.7158	.6559	.6017	.5523	.5069	.4652	.4270	.3918	.3595	.3297	.3024	.2772	.2541	.2329
50	.7113	.6498	.5942	.5434	.4969	.4544	.4154	.3797	.3469	.3169	.2894	.2642	.2411	.2201
51	.7067	.6437	.5865	.5345	.4869	.4435	.4038	.3676	.3344	.3041	.2765	.2513	.2284	.2075
52	.7022	.6375	.5789	.5255	.4769	.4326	.3922	.3554	.3219	.2915	.2638	.2386	.2158	.1951
53	.6977	.6314	.5712	.5166	.4669	.4217	.3806	.3434	.3095	.2789	.2512	.2261	.2034	.1830
54	.6933	.6252	.5636	.5076	.4568	.4108	.3691	.3313	.2972	.2665	.2387	.2138	.1913	.1712
55	.6889	.6191	.5559	.4986	.4468	.3999	.3575	.3193	.2850	.2541	.2264	.2017	.1795	.1597
56	.6846	.6130	.5483	.4897	.4367	.3890	.3460	.3074	.2728	.2419	.2143	.1897	.1679	.1484
57	.6803	.6070	.5407	.4807	.4267	.3781	.3345	.2956	.2608	.2299	.2024	.1781	.1565	.1375
58	.6761	.6011	.5331	.4718	.4167	.3672	.3231	.2838	.2489	.2180	.1907	.1666	.1455	.1269
59	.6720	.5952	.5256	.4629	.4067	.3564	.3117	.2721	.2371	.2062	.1791	.1554	.1347	.1167
60	.6680	.5894	.5182	.4541	.3968	.3457	.3004	.2605	.2254	.1947	.1679	.1445	.1243	.1069
61	.6642	.5837	.5109	.4454	.3869	.3350	.2892	.2490	.2139	.1833	.1568	.1339	.1142	.0974
62	.6604	.5782	.5037	.4368	.3772	.3245	.2781	.2377	.2025	.1721	.1460	.1236	.1045	.0883
63	.6569	.5728	.4967	.4283	.3675	.3140	.2671	.2264	.1913	.1612	.1355	.1136	.0952	.0796
64	.6535	.5677	.4898	.4199	.3580	.3036	.2562	.2153	.1803	.1504	.1252	.1040	.0862	.0713
65	.6503	.5627	.4830	.4117	.3485	.2933	.2454	.2044	.1694	.1400	.1152	.0946	.0776	.0635
66	.6473	.5579	.4765	.4036	.3392	.2831	.2348	.1936	.1588	.1297	.1056	.0857	.0694	.0561
67	.6445	.5534	.4702	.3957	.3300	.2730	.2242	.1829	.1484	.1197	.0962	.0771	.0616	.0491
68	.6420	.5491	.4641	.3880	.3210	.2631	.2138	.1725	.1381	.1100	.0872	.0688	.0542	.0425
69	.6397	.5451	.4582	.3804	.3120	.2532	.2035	.1621	.1281	.1005	.0784	.0609	.0471	.0364
70	.6377	.5413	.4526	.3730	.3032	.2435	.1933	.1518	.1182	.0913	.0700	.0534	.0405	.0307
71	.6359	.5378	.4471	.3656	.2943	.2335	.1828	.1414	.1082	.0820	.0616	.0460	.0341	.0252
72	.6344	.5347	.4421	.3587	.2859	.2240	.1729	.1315	.0988	.0733	.0539	.0392	.0283	.0203
73	.6332	.5320	.4375	.3522	.2777	.2148	.1632	.1219	.0897	.0651	.0466	.0330	.0231	.0160
74	.6326	.5304	.4346	.3479	.2723	.2086	.1567	.1156	.0838	.0598	.0421	.0293	.0201	.0136

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 9  
Effective October 29, 2010**

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
1	.0000	.0430	.0878	.1342	.1817	.2783	.3762	.4750	.5743
2	.0000	.0420	.0862	.1321	.1792	.2751	.3723	.4704	.5692
3	.0000	.0409	.0845	.1301	.1768	.2719	.3684	.4658	.5640
4	.0000	.0399	.0829	.1281	.1743	.2686	.3644	.4611	.5586
5	.0000	.0389	.0813	.1260	.1718	.2653	.3603	.4564	.5533
6	.0000	.0379	.0798	.1240	.1693	.2619	.3562	.4516	.5478

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
7	.0000	.0369	.0782	.1219	.1668	.2586	.3521	.4467	.5424
8	.0000	.0359	.0767	.1199	.1643	.2552	.3479	.4419	.5368
9	.0000	.0349	.0752	.1178	.1617	.2517	.3436	.4369	.5312
10	.0000	.0340	.0737	.1158	.1592	.2482	.3394	.4319	.5256
11	.0000	.0330	.0721	.1137	.1566	.2447	.3351	.4269	.5199
12	.0000	.0321	.0706	.1116	.1540	.2412	.3307	.4219	.5142
13	.0000	.0312	.0691	.1095	.1514	.2377	.3264	.4167	.5084
14	.0000	.0303	.0676	.1074	.1487	.2341	.3219	.4115	.5025
15	.0000	.0295	.0660	.1053	.1460	.2304	.3175	.4063	.4965
16	.0000	.0286	.0645	.1032	.1434	.2268	.3130	.4010	.4905
17	.0000	.0277	.0630	.1010	.1407	.2231	.3084	.3957	.4845
18	.0000	.0269	.0614	.0989	.1379	.2194	.3038	.3903	.4783
19	.0000	.0260	.0599	.0967	.1352	.2156	.2992	.3848	.4721
20	.0000	.0252	.0584	.0945	.1324	.2119	.2945	.3793	.4658
21	.0000	.0243	.0568	.0923	.1297	.2080	.2897	.3737	.4594
22	.0000	.0235	.0552	.0901	.1268	.2041	.2849	.3680	.4530
23	.0000	.0227	.0537	.0879	.1240	.2002	.2800	.3623	.4464
24	.0000	.0218	.0521	.0856	.1212	.1963	.2751	.3564	.4398
25	.0000	.0210	.0505	.0834	.1183	.1923	.2701	.3505	.4331
26	.0000	.0202	.0490	.0811	.1154	.1882	.2650	.3445	.4262
27	.0000	.0194	.0474	.0788	.1125	.1842	.2599	.3385	.4193
28	.0000	.0186	.0458	.0765	.1095	.1800	.2547	.3323	.4123
29	.0000	.0178	.0442	.0742	.1066	.1758	.2494	.3261	.4052
30	.0000	.0170	.0426	.0719	.1036	.1716	.2441	.3198	.3980
31	.0000	.0162	.0410	.0696	.1005	.1673	.2387	.3134	.3907
32	.0000	.0154	.0394	.0672	.0975	.1630	.2332	.3069	.3833
33	.0000	.0147	.0379	.0649	.0944	.1586	.2277	.3003	.3757
34	.0000	.0139	.0363	.0625	.0913	.1542	.2221	.2936	.3681
35	.0000	.0131	.0347	.0602	.0882	.1497	.2164	.2868	.3603
36	.0000	.0124	.0331	.0578	.0851	.1452	.2106	.2799	.3524
37	.0000	.0117	.0315	.0554	.0819	.1406	.2047	.2729	.3444
38	.0000	.0109	.0300	.0530	.0787	.1360	.1988	.2658	.3362
39	.0000	.0102	.0284	.0506	.0756	.1313	.1928	.2587	.3280
40	.0000	.0096	.0269	.0482	.0724	.1266	.1868	.2514	.3196
41	.0000	.0089	.0254	.0459	.0692	.1219	.1807	.2441	.3112
42	.0000	.0083	.0239	.0436	.0661	.1173	.1747	.2368	.3028
43	.0000	.0076	.0224	.0413	.0629	.1126	.1686	.2295	.2943
44	.0000	.0070	.0210	.0390	.0598	.1079	.1625	.2221	.2858
45	.0000	.0065	.0196	.0368	.0568	.1033	.1564	.2147	.2772
46	.0000	.0059	.0183	.0346	.0537	.0986	.1503	.2073	.2686
47	.0000	.0054	.0170	.0324	.0507	.0940	.1442	.1998	.2599
48	.0000	.0049	.0157	.0303	.0478	.0894	.1381	.1923	.2511
49	.0000	.0044	.0145	.0282	.0448	.0848	.1319	.1847	.2423
50	.0000	.0040	.0133	.0262	.0420	.0803	.1258	.1772	.2334
51	.0000	.0036	.0121	.0242	.0391	.0757	.1197	.1695	.2245
52	.0000	.0032	.0110	.0223	.0363	.0712	.1135	.1619	.2155

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
53	.0000	.0028	.0099	.0204	.0336	.0667	.1074	.1542	.2066
54	.0000	.0024	.0089	.0186	.0309	.0623	.1012	.1466	.1976
55	.0000	.0021	.0079	.0168	.0283	.0579	.0951	.1389	.1886
56	.0000	.0018	.0070	.0151	.0257	.0536	.0890	.1313	.1797
57	.0000	.0015	.0062	.0135	.0233	.0493	.0830	.1237	.1707
58	.0000	.0013	.0053	.0119	.0209	.0451	.0771	.1161	.1618
59	.0000	.0011	.0046	.0105	.0186	.0410	.0712	.1086	.1529
60	.0000	.0009	.0039	.0091	.0164	.0370	.0654	.1012	.1441
61	.0000	.0007	.0033	.0078	.0143	.0332	.0597	.0939	.1354
62	.0000	.0006	.0027	.0066	.0123	.0294	.0542	.0867	.1268
63	.0000	.0004	.0022	.0055	.0105	.0259	.0488	.0797	.1183
64	.0000	.0003	.0017	.0045	.0088	.0225	.0437	.0728	.1099
65	.0000	.0002	.0013	.0036	.0072	.0193	.0387	.0660	.1017
66	.0000	.0002	.0010	.0028	.0058	.0163	.0339	.0595	.0936
67	.0000	.0001	.0007	.0021	.0046	.0135	.0294	.0532	.0857
68	.0000	.0001	.0005	.0015	.0035	.0110	.0251	.0471	.0780
69	.0000	.0000	.0003	.0011	.0025	.0087	.0211	.0412	.0704
70	.0000	.0000	.0002	.0007	.0018	.0067	.0173	.0356	.0630
71	.0000	.0000	.0001	.0004	.0011	.0049	.0138	.0301	.0556
72	.0000	.0000	.0000	.0002	.0007	.0034	.0107	.0251	.0487
73	.0000	.0000	.0000	.0001	.0003	.0022	.0080	.0205	.0422
74	.0000	.0000	.0000	.0000	.0002	.0016	.0064	.0176	.0379

Premium-Based Plan, with Various Single Loss Limits

Insurance Charge Table  
Hazard Group 9  
Effective October 29, 2010

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7572	.7101	.6676	.6286	.5926	.5642	.5431	.5260	.5117	.4996	.4891	.4800	.4727	.4671
41	\$120	.7525	.7041	.6603	.6202	.5845	.5584	.5380	.5211	.5070	.4949	.4845	.4760	.4696	.4646
42	\$120	.7478	.6980	.6530	.6117	.5781	.5531	.5330	.5163	.5022	.4902	.4802	.4728	.4670	.4623
43	\$120	.7431	.6919	.6456	.6039	.5725	.5480	.5281	.5115	.4974	.4856	.4768	.4699	.4645	.4601
44	\$120	.7384	.6858	.6382	.5975	.5672	.5431	.5232	.5066	.4926	.4819	.4737	.4673	.4622	.4580
45	\$120	.7338	.6797	.6308	.5919	.5622	.5382	.5183	.5016	.4885	.4786	.4709	.4648	.4599	.4562
46	\$120	.7291	.6736	.6243	.5868	.5573	.5332	.5132	.4971	.4849	.4756	.4682	.4624	.4579	.4546
47	\$120	.7245	.6675	.6188	.5818	.5523	.5282	.5083	.4932	.4816	.4727	.4656	.4602	.4562	.4532
48	\$120	.7199	.6614	.6137	.5770	.5474	.5231	.5039	.4895	.4785	.4698	.4632	.4584	.4547	.4519
49	\$120	.7153	.6558	.6090	.5722	.5424	.5182	.5000	.4861	.4754	.4672	.4611	.4566	.4533	.4508
50	\$120	.7108	.6509	.6043	.5673	.5372	.5138	.4962	.4828	.4724	.4648	.4592	.4551	.4520	.4498
	\$250	.7111	.6495	.5938	.5429	.4964	.4557	.4224	.3945	.3708	.3505	.3329	.3178	.3048	.2942
51	\$120	.7062	.6464	.5998	.5624	.5324	.5098	.4926	.4795	.4698	.4627	.4575	.4536	.4509	.4490
	\$250	.7065	.6434	.5862	.5340	.4868	.4475	.4148	.3872	.3637	.3435	.3261	.3114	.2993	.2894
52	\$120	.7018	.6422	.5952	.5574	.5280	.5059	.4890	.4765	.4674	.4607	.4558	.4524	.4499	.4482
	\$250	.7020	.6373	.5785	.5251	.4783	.4398	.4074	.3800	.3566	.3365	.3196	.3057	.2944	.2850
53	\$120	.6977	.6381	.5906	.5526	.5238	.5020	.4856	.4737	.4650	.4588	.4544	.4513	.4491	.4476
	\$250	.6976	.6311	.5708	.5164	.4706	.4324	.4002	.3728	.3495	.3297	.3136	.3005	.2897	.2808

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
54	\$120	.6940	.6340	.5859	.5482	.5197	.4982	.4825	.4711	.4629	.4571	.4531	.4502	.4483	.4470
	\$250	.6931	.6250	.5632	.5087	.4633	.4252	.3930	.3656	.3424	.3235	.3081	.2955	.2853	.2769
55	\$120	.6906	.6300	.5813	.5439	.5156	.4947	.4795	.4686	.4609	.4556	.4519	.4494	.4477	.4465
	\$250	.6887	.6189	.5557	.5015	.4562	.4180	.3857	.3584	.3359	.3177	.3029	.2908	.2810	.2732
56	\$120	.6874	.6259	.5770	.5397	.5117	.4913	.4766	.4663	.4591	.4542	.4508	.4486	.4471	.4461
	\$250	.6844	.6128	.5488	.4947	.4492	.4108	.3783	.3515	.3298	.3121	.2978	.2863	.2771	.2698
57	\$120	.6843	.6219	.5728	.5356	.5080	.4881	.4740	.4642	.4574	.4529	.4499	.4479	.4466	.4457
	\$250	.6802	.6068	.5424	.4881	.4422	.4035	.3713	.3451	.3239	.3067	.2930	.2821	.2735	.2668
58	\$120	.6812	.6179	.5687	.5315	.5044	.4850	.4714	.4622	.4559	.4518	.4491	.4473	.4462	.4455
	\$250	.6760	.6011	.5363	.4816	.4352	.3964	.3647	.3389	.3182	.3016	.2885	.2782	.2701	.2639
	\$500	.6760	.6009	.5329	.4715	.4163	.3672	.3245	.2876	.2557	.2283	.2047	.1845	.1673	.1527
59	\$120	.6782	.6142	.5647	.5277	.5009	.4820	.4690	.4603	.4545	.4507	.4483	.4468	.4458	.4452
	\$250	.6719	.5958	.5305	.4751	.4282	.3896	.3582	.3329	.3126	.2967	.2842	.2745	.2671	.2613
	\$500	.6719	.5950	.5254	.4627	.4065	.3573	.3146	.2778	.2461	.2190	.1958	.1761	.1596	.1458
60	\$120	.6752	.6106	.5607	.5239	.4975	.4792	.4668	.4586	.4532	.4498	.4477	.4463	.4455	.4450
	\$250	.6679	.5909	.5248	.4685	.4215	.3830	.3519	.3270	.3074	.2921	.2802	.2711	.2642	.2590
	\$500	.6679	.5893	.5180	.4539	.3971	.3477	.3049	.2682	.2367	.2099	.1872	.1682	.1524	.1392
61	\$120	.6723	.6070	.5569	.5202	.4943	.4765	.4647	.4570	.4521	.4490	.4471	.4460	.4453	.4449
	\$250	.6642	.5862	.5191	.4621	.4150	.3766	.3458	.3214	.3024	.2877	.2765	.2680	.2616	.2569
	\$500	.6641	.5836	.5107	.4454	.3881	.3383	.2954	.2586	.2274	.2010	.1790	.1607	.1455	.1330
62	\$120	.6696	.6035	.5532	.5167	.4912	.4740	.4628	.4556	.4511	.4483	.4466	.4456	.4451	.4447
	\$250	.6607	.5817	.5135	.4560	.4086	.3703	.3399	.3160	.2976	.2836	.2730	.2651	.2593	.2550
	\$500	.6604	.5781	.5036	.4373	.3793	.3291	.2860	.2493	.2184	.1926	.1711	.1535	.1390	.1272
63	\$120	.6670	.6001	.5496	.5133	.4883	.4716	.4610	.4543	.4502	.4477	.4462	.4454	.4449	.4446
	\$250	.6576	.5773	.5080	.4499	.4023	.3642	.3341	.3108	.2931	.2797	.2698	.2625	.2572	.2534
	\$500	.6568	.5727	.4967	.4294	.3707	.3200	.2767	.2402	.2097	.1844	.1636	.1466	.1329	.1218
64	\$120	.6645	.5969	.5461	.5100	.4854	.4694	.4593	.4531	.4493	.4471	.4459	.4452	.4448	.4445
	\$250	.6547	.5730	.5028	.4440	.3963	.3582	.3286	.3059	.2888	.2761	.2668	.2601	.2553	.2519
	\$500	.6534	.5676	.4902	.4218	.3623	.3111	.2677	.2313	.2012	.1765	.1563	.1401	.1271	.1168
	\$1,000	.6535	.5676	.4897	.4199	.3579	.3035	.2562	.2155	.1807	.1512	.1264	.1056	.0884	.0741
65	\$120	.6621	.5937	.5427	.5068	.4827	.4673	.4577	.4520	.4486	.4467	.4456	.4450	.4447	.4445
	\$250	.6520	.5689	.4976	.4383	.3903	.3524	.3233	.3012	.2848	.2728	.2641	.2580	.2536	.2506
	\$500	.6502	.5627	.4840	.4144	.3540	.3023	.2588	.2227	.1930	.1689	.1494	.1340	.1218	.1122
	\$1,000	.6503	.5626	.4830	.4116	.3485	.2933	.2456	.2048	.1702	.1411	.1169	.0968	.0803	.0668
66	\$120	.6598	.5906	.5394	.5037	.4802	.4654	.4563	.4510	.4480	.4463	.4453	.4448	.4446	.4444
	\$250	.6494	.5650	.4927	.4327	.3845	.3469	.3181	.2967	.2810	.2697	.2616	.2560	.2521	.2495
	\$500	.6473	.5582	.4779	.4071	.3458	.2937	.2502	.2143	.1850	.1616	.1429	.1282	.1168	.1079
	\$1,000	.6473	.5579	.4765	.4035	.3392	.2832	.2351	.1943	.1599	.1313	.1078	.0884	.0728	.0601
67	\$120	.6576	.5877	.5362	.5008	.4778	.4635	.4550	.4502	.4474	.4459	.4451	.4447	.4445	.4444
	\$250	.6470	.5613	.4879	.4273	.3789	.3414	.3132	.2924	.2774	.2668	.2594	.2543	.2508	.2485
	\$500	.6446	.5539	.4721	.4001	.3379	.2853	.2417	.2061	.1774	.1546	.1367	.1229	.1122	.1041
	\$1,000	.6445	.5533	.4702	.3957	.3301	.2733	.2248	.1840	.1499	.1219	.0990	.0805	.0656	.0538
68	\$120	.6555	.5848	.5331	.4980	.4755	.4618	.4539	.4494	.4469	.4456	.4450	.4446	.4445	.4444
	\$250	.6448	.5578	.4832	.4220	.3734	.3362	.3085	.2884	.2741	.2642	.2573	.2528	.2497	.2477
	\$500	.6421	.5499	.4666	.3932	.3301	.2771	.2335	.1981	.1700	.1480	.1309	.1179	.1080	.1006
	\$1,000	.6420	.5491	.4641	.3880	.3212	.2636	.2147	.1739	.1402	.1127	.0906	.0729	.0590	.0481
69	\$120	.6536	.5820	.5301	.4953	.4733	.4603	.4528	.4487	.4465	.4454	.4448	.4445	.4444	.4443
	\$250	.6427	.5544	.4787	.4168	.3681	.3312	.3040	.2846	.2710	.2617	.2555	.2514	.2487	.2470
	\$500	.6400	.5462	.4612	.3865	.3225	.2691	.2254	.1904	.1629	.1417	.1254	.1132	.1042	.0975
	\$1,000	.6397	.5451	.4582	.3805	.3124	.2540	.2048	.1639	.1307	.1039	.0826	.0658	.0528	.0428
70	\$120	.6517	.5794	.5273	.4927	.4713	.4588	.4518	.4481	.4462	.4452	.4447	.4445	.4444	.4443
	\$250	.6409	.5512	.4744	.4118	.3630	.3263	.2997	.2810	.2682	.2596	.2539	.2502	.2479	.2465
	\$500	.6380	.5427	.4562	.3801	.3151	.2612	.2176	.1830	.1561	.1357	.1204	.1090	.1007	.0948

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$1,000	.6377	.5413	.4527	.3733	.3039	.2446	.1950	.1543	.1214	.0954	.0750	.0592	.0472	.0381
71	\$120	.6499	.5768	.5244	.4902	.4694	.4574	.4510	.4476	.4459	.4450	.4446	.4444	.4444	.4443
	\$250	.6392	.5481	.4702	.4069	.3579	.3215	.2956	.2776	.2655	.2575	.2524	.2492	.2472	.2460
	\$500	.6363	.5394	.4512	.3737	.3077	.2533	.2097	.1756	.1495	.1299	.1155	.1050	.0976	.0923
	\$1,000	.6359	.5378	.4473	.3661	.2952	.2350	.1851	.1446	.1123	.0871	.0676	.0529	.0419	.0337
72	\$120	.6483	.5744	.5219	.4879	.4676	.4563	.4502	.4471	.4456	.4449	.4446	.4444	.4443	.4443
	\$250	.6377	.5454	.4663	.4023	.3532	.3172	.2918	.2745	.2631	.2558	.2512	.2483	.2466	.2456
	\$500	.6349	.5366	.4467	.3677	.3008	.2460	.2025	.1688	.1435	.1248	.1113	.1016	.0949	.0902
	\$1,000	.6344	.5348	.4424	.3594	.2871	.2261	.1758	.1355	.1039	.0795	.0611	.0474	.0373	.0300
73	\$120	.6468	.5722	.5195	.4858	.4661	.4552	.4496	.4467	.4454	.4448	.4445	.4444	.4443	.4443
	\$250	.6364	.5429	.4627	.3980	.3488	.3131	.2884	.2718	.2611	.2543	.2502	.2476	.2462	.2453
	\$500	.6338	.5341	.4426	.3622	.2943	.2391	.1957	.1626	.1380	.1201	.1075	.0987	.0926	.0886
	\$1,000	.6333	.5322	.4380	.3532	.2795	.2176	.1671	.1270	.0961	.0726	.0552	.0425	.0334	.0269
74	\$120	.6459	.5708	.5180	.4846	.4651	.4546	.4492	.4465	.4453	.4447	.4445	.4444	.4443	.4443
	\$250	.6357	.5414	.4604	.3953	.3460	.3106	.2863	.2702	.2599	.2534	.2496	.2473	.2459	.2451
	\$500	.6332	.5326	.4401	.3588	.2902	.2347	.1914	.1586	.1346	.1173	.1052	.0969	.0913	.0876
	\$1,000	.6327	.5307	.4352	.3493	.2746	.2121	.1615	.1217	.0912	.0683	.0516	.0396	.0311	.0252

\*Single Loss Limit values are expressed in thousands of dollars.

**Premium-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 9  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0095	.0267	.0480	.0721	.1262	.1861	.2506	.3186
41	\$120	.0000	.0088	.0252	.0457	.0689	.1215	.1801	.2433	.3102
42	\$120	.0000	.0082	.0238	.0433	.0658	.1168	.1740	.2360	.3017
43	\$120	.0000	.0076	.0223	.0410	.0626	.1121	.1679	.2286	.2939
44	\$120	.0000	.0070	.0209	.0388	.0595	.1074	.1618	.2212	.2875
45	\$120	.0000	.0064	.0195	.0366	.0565	.1028	.1557	.2138	.2819
46	\$120	.0000	.0059	.0182	.0344	.0534	.0981	.1496	.2073	.2768
47	\$120	.0000	.0053	.0169	.0322	.0504	.0935	.1435	.2018	.2718
48	\$120	.0000	.0048	.0156	.0301	.0475	.0889	.1374	.1967	.2670
49	\$120	.0000	.0044	.0144	.0280	.0446	.0843	.1318	.1920	.2622
50	\$120	.0000	.0039	.0132	.0260	.0417	.0798	.1269	.1873	.2573
	\$250	.0000	.0040	.0132	.0261	.0418	.0801	.1255	.1768	.2329
51	\$120	.0000	.0035	.0120	.0240	.0388	.0752	.1224	.1828	.2524
	\$250	.0000	.0035	.0121	.0241	.0390	.0755	.1194	.1692	.2240
52	\$120	.0000	.0031	.0109	.0221	.0361	.0708	.1182	.1782	.2474
	\$250	.0000	.0031	.0110	.0222	.0362	.0710	.1133	.1615	.2151
53	\$120	.0000	.0027	.0098	.0202	.0333	.0667	.1141	.1736	.2426
	\$250	.0000	.0028	.0099	.0203	.0335	.0666	.1071	.1538	.2064
54	\$120	.0000	.0024	.0088	.0184	.0307	.0630	.1100	.1689	.2382
	\$250	.0000	.0024	.0089	.0185	.0308	.0621	.1010	.1462	.1987
55	\$120	.0000	.0021	.0079	.0167	.0280	.0596	.1060	.1643	.2339

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0021	.0079	.0168	.0282	.0577	.0949	.1387	.1915
56	\$120	.0000	.0018	.0070	.0150	.0255	.0564	.1019	.1600	.2297
	\$250	.0000	.0018	.0070	.0151	.0256	.0534	.0888	.1318	.1847
57	\$120	.0000	.0015	.0061	.0134	.0231	.0533	.0979	.1558	.2256
	\$250	.0000	.0015	.0061	.0134	.0232	.0492	.0828	.1254	.1781
58	\$120	.0000	.0013	.0053	.0118	.0209	.0502	.0939	.1517	.2215
	\$250	.0000	.0013	.0053	.0119	.0208	.0450	.0771	.1193	.1716
	\$500	.0000	.0013	.0053	.0119	.0208	.0450	.0769	.1159	.1615
59	\$120	.0000	.0011	.0045	.0104	.0189	.0472	.0902	.1477	.2177
	\$250	.0000	.0011	.0046	.0104	.0185	.0409	.0718	.1135	.1651
	\$500	.0000	.0011	.0046	.0104	.0185	.0409	.0710	.1084	.1527
60	\$120	.0000	.0009	.0038	.0090	.0171	.0442	.0866	.1437	.2139
	\$250	.0000	.0009	.0039	.0090	.0163	.0369	.0669	.1078	.1585
	\$500	.0000	.0009	.0039	.0091	.0164	.0369	.0653	.1010	.1439
61	\$120	.0000	.0007	.0032	.0078	.0154	.0413	.0830	.1399	.2102
	\$250	.0000	.0007	.0032	.0078	.0142	.0332	.0622	.1021	.1521
	\$500	.0000	.0007	.0033	.0078	.0143	.0331	.0596	.0937	.1354
62	\$120	.0000	.0006	.0027	.0067	.0138	.0386	.0795	.1362	.2067
	\$250	.0000	.0006	.0027	.0066	.0123	.0297	.0577	.0965	.1460
	\$500	.0000	.0006	.0027	.0066	.0123	.0294	.0541	.0866	.1273
63	\$120	.0000	.0004	.0021	.0058	.0123	.0360	.0761	.1326	.2033
	\$250	.0000	.0004	.0022	.0055	.0104	.0266	.0533	.0910	.1399
	\$500	.0000	.0004	.0022	.0055	.0105	.0258	.0487	.0797	.1194
64	\$120	.0000	.0003	.0017	.0049	.0109	.0335	.0729	.1291	.2000
	\$250	.0000	.0003	.0017	.0045	.0087	.0237	.0490	.0858	.1340
	\$500	.0000	.0003	.0017	.0045	.0088	.0224	.0436	.0732	.1118
	\$1,000	.0000	.0003	.0017	.0045	.0088	.0225	.0436	.0727	.1099
65	\$120	.0000	.0002	.0013	.0042	.0095	.0311	.0697	.1257	.1968
	\$250	.0000	.0002	.0013	.0036	.0073	.0210	.0449	.0806	.1283
	\$500	.0000	.0002	.0013	.0036	.0072	.0192	.0387	.0670	.1044
	\$1,000	.0000	.0002	.0013	.0036	.0072	.0193	.0386	.0660	.1016
66	\$120	.0000	.0002	.0010	.0035	.0084	.0288	.0666	.1224	.1937
	\$250	.0000	.0002	.0010	.0028	.0060	.0184	.0410	.0757	.1227
	\$500	.0000	.0002	.0010	.0028	.0058	.0163	.0342	.0609	.0971
	\$1,000	.0000	.0002	.0010	.0028	.0058	.0163	.0339	.0595	.0935
67	\$120	.0000	.0001	.0008	.0029	.0073	.0266	.0637	.1192	.1908
	\$250	.0000	.0001	.0007	.0021	.0048	.0160	.0373	.0709	.1173
	\$500	.0000	.0001	.0007	.0021	.0045	.0136	.0299	.0551	.0901
	\$1,000	.0000	.0001	.0007	.0021	.0045	.0135	.0293	.0532	.0857
68	\$120	.0000	.0001	.0006	.0023	.0063	.0245	.0608	.1161	.1880
	\$250	.0000	.0001	.0005	.0016	.0038	.0138	.0338	.0662	.1120
	\$500	.0000	.0001	.0005	.0015	.0034	.0111	.0259	.0496	.0832
	\$1,000	.0000	.0001	.0005	.0015	.0035	.0110	.0251	.0471	.0780
69	\$120	.0000	.0000	.0004	.0019	.0054	.0226	.0580	.1131	.1853

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$250	.0000	.0000	.0003	.0012	.0030	.0117	.0304	.0617	.1068
	\$500	.0000	.0000	.0003	.0011	.0025	.0090	.0222	.0442	.0765
	\$1,000	.0000	.0000	.0003	.0011	.0025	.0087	.0211	.0412	.0705
70	\$120	.0000	.0000	.0003	.0015	.0045	.0207	.0554	.1103	.1827
	\$250	.0000	.0000	.0002	.0008	.0023	.0099	.0272	.0574	.1018
	\$500	.0000	.0000	.0002	.0007	.0018	.0070	.0187	.0392	.0701
	\$1,000	.0000	.0000	.0002	.0007	.0018	.0067	.0173	.0357	.0633
71	\$120	.0000	.0000	.0002	.0011	.0038	.0189	.0528	.1074	.1802
	\$250	.0000	.0000	.0001	.0005	.0017	.0082	.0241	.0532	.0969
	\$500	.0000	.0000	.0001	.0004	.0012	.0053	.0154	.0342	.0637
	\$1,000	.0000	.0000	.0001	.0004	.0011	.0049	.0138	.0303	.0561
72	\$120	.0000	.0000	.0001	.0009	.0032	.0173	.0504	.1049	.1779
	\$250	.0000	.0000	.0001	.0003	.0012	.0067	.0214	.0493	.0923
	\$500	.0000	.0000	.0000	.0002	.0007	.0039	.0126	.0297	.0577
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0034	.0108	.0254	.0494
73	\$120	.0000	.0000	.0001	.0007	.0026	.0158	.0482	.1025	.1758
	\$250	.0000	.0000	.0000	.0002	.0008	.0054	.0189	.0457	.0880
	\$500	.0000	.0000	.0000	.0001	.0004	.0028	.0101	.0256	.0522
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0023	.0082	.0210	.0432
74	\$120	.0000	.0000	.0001	.0005	.0023	.0149	.0468	.1010	.1746
	\$250	.0000	.0000	.0000	.0001	.0006	.0047	.0174	.0434	.0853
	\$500	.0000	.0000	.0000	.0001	.0003	.0022	.0086	.0231	.0488
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0017	.0067	.0182	.0393

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 9  
Effective October 29, 2010**

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
1	.9552	.9456	.9369	.9289	.9213	.9141	.9073	.9007	.8945	.8884	.8825	.8768	.8713	.8659
2	.9518	.9415	.9322	.9235	.9153	.9076	.9002	.8932	.8864	.8799	.8736	.8675	.8616	.8558
3	.9484	.9374	.9274	.9180	.9093	.9010	.8931	.8856	.8783	.8713	.8646	.8581	.8517	.8456
4	.9449	.9332	.9224	.9124	.9031	.8942	.8858	.8778	.8700	.8626	.8554	.8484	.8417	.8351
5	.9415	.9289	.9174	.9068	.8968	.8874	.8784	.8699	.8617	.8537	.8461	.8387	.8315	.8245
6	.9380	.9246	.9124	.9011	.8905	.8805	.8710	.8619	.8532	.8448	.8367	.8288	.8212	.8138
7	.9344	.9202	.9073	.8953	.8841	.8735	.8635	.8539	.8446	.8357	.8272	.8188	.8108	.8030
8	.9308	.9158	.9022	.8895	.8777	.8665	.8559	.8457	.8360	.8266	.8176	.8088	.8003	.7920
9	.9272	.9114	.8970	.8837	.8712	.8594	.8482	.8375	.8272	.8174	.8078	.7986	.7897	.7810
10	.9236	.9069	.8918	.8777	.8646	.8522	.8405	.8292	.8184	.8080	.7980	.7884	.7790	.7699
11	.9199	.9024	.8865	.8718	.8580	.8450	.8326	.8208	.8095	.7986	.7881	.7780	.7682	.7587
12	.9162	.8978	.8811	.8657	.8513	.8377	.8247	.8123	.8005	.7891	.7781	.7675	.7573	.7473
13	.9125	.8932	.8758	.8596	.8445	.8302	.8167	.8038	.7914	.7795	.7680	.7570	.7462	.7359
14	.9087	.8886	.8703	.8534	.8376	.8227	.8086	.7951	.7822	.7698	.7578	.7463	.7351	.7243
15	.9049	.8839	.8648	.8472	.8307	.8152	.8004	.7863	.7729	.7599	.7475	.7355	.7238	.7126
16	.9010	.8792	.8593	.8409	.8237	.8075	.7921	.7775	.7634	.7500	.7370	.7246	.7125	.7008

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
17	.8972	.8744	.8537	.8345	.8166	.7997	.7837	.7685	.7539	.7400	.7265	.7136	.7010	.6889
18	.8933	.8695	.8480	.8281	.8094	.7919	.7753	.7594	.7443	.7298	.7158	.7024	.6894	.6769
19	.8893	.8647	.8422	.8215	.8022	.7839	.7667	.7503	.7346	.7195	.7051	.6912	.6777	.6648
20	.8853	.8597	.8364	.8149	.7948	.7759	.7580	.7410	.7247	.7092	.6942	.6798	.6659	.6525
21	.8813	.8547	.8305	.8082	.7874	.7678	.7492	.7316	.7147	.6986	.6832	.6683	.6540	.6401
22	.8773	.8497	.8246	.8014	.7798	.7595	.7403	.7220	.7046	.6880	.6720	.6567	.6419	.6276
23	.8732	.8445	.8185	.7946	.7722	.7512	.7313	.7124	.6944	.6772	.6607	.6449	.6297	.6150
24	.8690	.8394	.8124	.7876	.7644	.7427	.7221	.7026	.6840	.6663	.6493	.6330	.6173	.6022
25	.8648	.8341	.8062	.7805	.7566	.7341	.7129	.6927	.6736	.6553	.6377	.6209	.6048	.5892
26	.8605	.8288	.7999	.7734	.7486	.7254	.7034	.6827	.6629	.6441	.6260	.6087	.5921	.5761
27	.8563	.8234	.7936	.7661	.7405	.7165	.6939	.6725	.6521	.6327	.6142	.5964	.5793	.5629
28	.8519	.8179	.7871	.7587	.7323	.7076	.6842	.6622	.6412	.6212	.6021	.5839	.5663	.5495
29	.8475	.8124	.7806	.7513	.7240	.6985	.6745	.6517	.6301	.6096	.5900	.5712	.5532	.5359
30	.8431	.8068	.7739	.7437	.7156	.6893	.6645	.6411	.6189	.5978	.5776	.5584	.5399	.5221
31	.8386	.8012	.7672	.7360	.7070	.6799	.6544	.6304	.6075	.5858	.5651	.5454	.5264	.5082
32	.8340	.7954	.7604	.7282	.6983	.6704	.6442	.6194	.5960	.5737	.5524	.5321	.5127	.4941
33	.8295	.7896	.7535	.7203	.6895	.6608	.6338	.6084	.5843	.5614	.5396	.5188	.4989	.4798
34	.8248	.7837	.7465	.7123	.6806	.6510	.6232	.5971	.5723	.5488	.5265	.5052	.4848	.4652
35	.8201	.7777	.7393	.7041	.6715	.6410	.6125	.5856	.5602	.5361	.5132	.4914	.4705	.4505
36	.8153	.7716	.7321	.6958	.6622	.6309	.6016	.5740	.5479	.5232	.4997	.4772	.4559	.4355
37	.8105	.7655	.7247	.6874	.6528	.6206	.5905	.5621	.5353	.5100	.4859	.4629	.4411	.4205
38	.8056	.7593	.7173	.6788	.6432	.6101	.5792	.5500	.5226	.4966	.4719	.4485	.4264	.4054
39	.8007	.7530	.7097	.6701	.6336	.5995	.5677	.5378	.5097	.4830	.4578	.4340	.4115	.3903
40	.7958	.7466	.7021	.6614	.6238	.5888	.5561	.5255	.4966	.4693	.4436	.4195	.3967	.3751
41	.7909	.7403	.6945	.6526	.6139	.5780	.5444	.5130	.4833	.4556	.4295	.4049	.3818	.3601
42	.7860	.7339	.6868	.6437	.6040	.5671	.5326	.5004	.4701	.4419	.4153	.3904	.3670	.3451
43	.7811	.7275	.6791	.6348	.5940	.5561	.5207	.4877	.4569	.4281	.4012	.3760	.3523	.3302
44	.7762	.7211	.6713	.6258	.5839	.5450	.5088	.4751	.4437	.4144	.3871	.3616	.3378	.3155
45	.7713	.7147	.6635	.6168	.5737	.5338	.4968	.4624	.4305	.4007	.3731	.3473	.3233	.3009
46	.7664	.7083	.6557	.6077	.5635	.5226	.4848	.4497	.4172	.3871	.3591	.3331	.3090	.2866
47	.7616	.7019	.6479	.5986	.5532	.5113	.4727	.4370	.4040	.3734	.3452	.3190	.2948	.2724
48	.7567	.6954	.6400	.5894	.5428	.5000	.4606	.4243	.3908	.3599	.3313	.3050	.2808	.2584
49	.7519	.6890	.6321	.5801	.5324	.4887	.4485	.4116	.3776	.3463	.3176	.2912	.2669	.2447
50	.7471	.6826	.6241	.5708	.5220	.4773	.4364	.3988	.3644	.3328	.3040	.2775	.2533	.2312
51	.7423	.6761	.6161	.5614	.5115	.4659	.4242	.3861	.3513	.3195	.2905	.2640	.2399	.2179
52	.7376	.6697	.6081	.5520	.5010	.4544	.4120	.3734	.3382	.3062	.2771	.2507	.2267	.2049
53	.7329	.6632	.6000	.5426	.4904	.4430	.3998	.3607	.3252	.2930	.2638	.2375	.2137	.1922
54	.7283	.6568	.5920	.5332	.4799	.4315	.3877	.3480	.3122	.2799	.2508	.2246	.2010	.1798
55	.7237	.6503	.5839	.5238	.4693	.4200	.3755	.3354	.2994	.2669	.2379	.2118	.1885	.1677
56	.7191	.6440	.5759	.5144	.4587	.4086	.3634	.3229	.2866	.2541	.2251	.1993	.1763	.1559
57	.7146	.6376	.5679	.5050	.4482	.3971	.3514	.3105	.2740	.2415	.2126	.1870	.1644	.1445
58	.7102	.6314	.5600	.4956	.4377	.3857	.3394	.2981	.2614	.2290	.2003	.1750	.1528	.1333
59	.7059	.6252	.5521	.4863	.4272	.3744	.3274	.2858	.2490	.2166	.1882	.1633	.1415	.1226
60	.7017	.6191	.5444	.4770	.4168	.3631	.3156	.2736	.2368	.2045	.1763	.1518	.1306	.1122
61	.6976	.6132	.5367	.4679	.4065	.3519	.3038	.2616	.2247	.1925	.1647	.1407	.1200	.1023
62	.6937	.6074	.5291	.4588	.3962	.3408	.2921	.2496	.2127	.1808	.1534	.1298	.1098	.0927
63	.6900	.6017	.5217	.4499	.3861	.3298	.2806	.2378	.2009	.1693	.1423	.1193	.0999	.0836
64	.6864	.5963	.5145	.4411	.3760	.3189	.2691	.2262	.1894	.1580	.1315	.1092	.0905	.0749
65	.6831	.5910	.5074	.4324	.3661	.3081	.2578	.2147	.1780	.1470	.1210	.0994	.0815	.0667
66	.6799	.5860	.5005	.4240	.3563	.2974	.2466	.2033	.1668	.1363	.1109	.0900	.0729	.0589
67	.6770	.5813	.4939	.4156	.3467	.2868	.2355	.1922	.1559	.1258	.1011	.0809	.0647	.0516
68	.6744	.5768	.4875	.4075	.3372	.2764	.2246	.1811	.1451	.1156	.0916	.0723	.0569	.0447
69	.6720	.5725	.4813	.3996	.3278	.2660	.2137	.1702	.1345	.1056	.0824	.0640	.0495	.0382
70	.6699	.5686	.4754	.3918	.3185	.2557	.2030	.1595	.1242	.0959	.0735	.0561	.0426	.0322
71	.6680	.5649	.4697	.3840	.3092	.2453	.1921	.1486	.1137	.0862	.0648	.0483	.0358	.0265

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
72	.6664	.5617	.4644	.3768	.3003	.2353	.1816	.1382	.1038	.0770	.0566	.0412	.0298	.0213
73	.6652	.5589	.4596	.3699	.2917	.2256	.1714	.1281	.0942	.0684	.0490	.0347	.0243	.0168
74	.6645	.5572	.4565	.3655	.2860	.2192	.1646	.1214	.0880	.0628	.0442	.0307	.0211	.0143

**Loss-Based Plan, with no Single Loss Limit**

**Insurance Savings Table  
Hazard Group 9  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%	
1	.0000	.0452	.0922	.1410	.1908	.2923	.3952	.4989	.6033	
2	.0000	.0441	.0905	.1388	.1883	.2890	.3911	.4941	.5979	
3	.0000	.0430	.0888	.1367	.1857	.2856	.3870	.4893	.5924	
4	.0000	.0419	.0871	.1345	.1831	.2821	.3827	.4844	.5868	
5	.0000	.0408	.0854	.1324	.1805	.2787	.3785	.4794	.5812	
6	.0000	.0398	.0838	.1302	.1778	.2751	.3742	.4744	.5755	
7	.0000	.0387	.0822	.1281	.1752	.2716	.3698	.4693	.5697	
8	.0000	.0377	.0806	.1259	.1725	.2680	.3654	.4641	.5639	
9	.0000	.0367	.0790	.1238	.1699	.2644	.3610	.4590	.5580	
10	.0000	.0357	.0774	.1216	.1672	.2608	.3565	.4537	.5521	
11	.0000	.0347	.0758	.1194	.1645	.2571	.3520	.4485	.5461	
12	.0000	.0337	.0742	.1172	.1617	.2534	.3474	.4431	.5401	
13	.0000	.0328	.0726	.1150	.1590	.2496	.3428	.4377	.5340	
14	.0000	.0319	.0710	.1128	.1562	.2459	.3382	.4323	.5278	
15	.0000	.0309	.0694	.1106	.1534	.2421	.3335	.4268	.5216	
16	.0000	.0300	.0678	.1084	.1506	.2382	.3287	.4212	.5153	
17	.0000	.0291	.0662	.1061	.1478	.2344	.3240	.4156	.5089	
18	.0000	.0282	.0645	.1038	.1449	.2304	.3191	.4100	.5024	
19	.0000	.0273	.0629	.1016	.1420	.2265	.3142	.4042	.4959	
20	.0000	.0264	.0613	.0993	.1391	.2225	.3093	.3984	.4893	
21	.0000	.0256	.0597	.0970	.1362	.2185	.3043	.3925	.4826	
22	.0000	.0247	.0580	.0946	.1332	.2144	.2992	.3866	.4758	
23	.0000	.0238	.0564	.0923	.1303	.2103	.2941	.3805	.4689	
24	.0000	.0229	.0547	.0899	.1273	.2062	.2889	.3744	.4620	
25	.0000	.0221	.0531	.0876	.1243	.2020	.2837	.3682	.4549	
26	.0000	.0212	.0514	.0852	.1212	.1977	.2784	.3619	.4477	
27	.0000	.0204	.0498	.0828	.1181	.1934	.2730	.3556	.4405	
28	.0000	.0195	.0481	.0804	.1150	.1891	.2675	.3491	.4331	
29	.0000	.0187	.0464	.0780	.1119	.1847	.2620	.3426	.4256	
30	.0000	.0179	.0448	.0755	.1088	.1803	.2564	.3359	.4181	
31	.0000	.0170	.0431	.0731	.1056	.1758	.2507	.3292	.4104	
32	.0000	.0162	.0414	.0706	.1024	.1712	.2450	.3224	.4026	
33	.0000	.0154	.0398	.0682	.0992	.1666	.2392	.3155	.3947	
34	.0000	.0146	.0381	.0657	.0959	.1620	.2333	.3084	.3866	
35	.0000	.0138	.0364	.0632	.0927	.1573	.2273	.3013	.3785	
36	.0000	.0130	.0348	.0607	.0894	.1525	.2212	.2941	.3702	
37	.0000	.0123	.0331	.0582	.0860	.1477	.2151	.2867	.3617	

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
38	.0000	.0115	.0315	.0557	.0827	.1428	.2088	.2792	.3532
39	.0000	.0108	.0298	.0532	.0794	.1379	.2025	.2717	.3445
40	.0000	.0100	.0282	.0507	.0760	.1330	.1962	.2641	.3358
41	.0000	.0093	.0266	.0482	.0727	.1281	.1898	.2564	.3269
42	.0000	.0087	.0251	.0457	.0694	.1232	.1835	.2488	.3181
43	.0000	.0080	.0236	.0433	.0661	.1183	.1771	.2410	.3092
44	.0000	.0074	.0221	.0410	.0629	.1134	.1707	.2333	.3002
45	.0000	.0068	.0206	.0386	.0596	.1085	.1643	.2255	.2912
46	.0000	.0062	.0192	.0363	.0564	.1036	.1579	.2177	.2821
47	.0000	.0057	.0178	.0340	.0533	.0987	.1514	.2099	.2730
48	.0000	.0051	.0165	.0318	.0502	.0939	.1450	.2020	.2637
49	.0000	.0047	.0152	.0296	.0471	.0891	.1386	.1941	.2545
50	.0000	.0042	.0139	.0275	.0441	.0843	.1321	.1861	.2451
51	.0000	.0037	.0127	.0254	.0411	.0795	.1257	.1781	.2358
52	.0000	.0033	.0116	.0234	.0381	.0748	.1192	.1700	.2264
53	.0000	.0029	.0104	.0214	.0353	.0701	.1128	.1620	.2170
54	.0000	.0026	.0094	.0195	.0325	.0654	.1063	.1540	.2076
55	.0000	.0022	.0083	.0177	.0297	.0608	.0999	.1459	.1982
56	.0000	.0019	.0074	.0159	.0270	.0563	.0935	.1379	.1887
57	.0000	.0016	.0065	.0142	.0244	.0518	.0872	.1299	.1793
58	.0000	.0014	.0056	.0125	.0219	.0474	.0809	.1220	.1700
59	.0000	.0011	.0048	.0110	.0195	.0431	.0748	.1141	.1607
60	.0000	.0009	.0041	.0095	.0172	.0389	.0687	.1063	.1514
61	.0000	.0008	.0034	.0082	.0150	.0348	.0627	.0986	.1423
62	.0000	.0006	.0028	.0069	.0129	.0309	.0569	.0911	.1332
63	.0000	.0005	.0023	.0058	.0110	.0272	.0513	.0837	.1243
64	.0000	.0003	.0018	.0047	.0092	.0236	.0459	.0764	.1155
65	.0000	.0003	.0014	.0038	.0076	.0203	.0406	.0694	.1068
66	.0000	.0002	.0010	.0029	.0061	.0171	.0356	.0625	.0983
67	.0000	.0001	.0008	.0022	.0048	.0142	.0308	.0559	.0900
68	.0000	.0001	.0005	.0016	.0036	.0116	.0264	.0495	.0819
69	.0000	.0000	.0003	.0011	.0027	.0092	.0221	.0433	.0739
70	.0000	.0000	.0002	.0007	.0018	.0071	.0182	.0374	.0662
71	.0000	.0000	.0001	.0004	.0012	.0052	.0145	.0316	.0584
72	.0000	.0000	.0000	.0002	.0007	.0036	.0113	.0264	.0512
73	.0000	.0000	.0000	.0001	.0004	.0024	.0084	.0215	.0443
74	.0000	.0000	.0000	.0000	.0002	.0017	.0067	.0185	.0398

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Charge Table  
Hazard Group 9  
Effective October 29, 2010**

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
40	\$120	.7953	.7459	.7012	.6603	.6225	.5926	.5705	.5525	.5375	.5248	.5138	.5042	.4965	.4907

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
41	\$120	.7904	.7396	.6936	.6515	.6140	.5866	.5651	.5474	.5326	.5199	.5089	.5000	.4933	.4880
42	\$120	.7855	.7332	.6859	.6426	.6073	.5810	.5599	.5424	.5275	.5149	.5044	.4966	.4905	.4856
43	\$120	.7806	.7268	.6781	.6343	.6013	.5757	.5547	.5373	.5225	.5101	.5008	.4936	.4879	.4833
44	\$120	.7757	.7204	.6704	.6276	.5958	.5705	.5496	.5321	.5174	.5062	.4976	.4909	.4855	.4811
45	\$120	.7708	.7140	.6626	.6218	.5905	.5653	.5444	.5269	.5131	.5028	.4947	.4883	.4831	.4792
46	\$120	.7659	.7076	.6558	.6164	.5854	.5601	.5391	.5221	.5094	.4996	.4918	.4857	.4810	.4775
47	\$120	.7610	.7011	.6500	.6112	.5802	.5548	.5339	.5180	.5059	.4965	.4891	.4834	.4792	.4761
48	\$120	.7562	.6947	.6447	.6061	.5750	.5494	.5293	.5142	.5026	.4935	.4866	.4815	.4776	.4747
49	\$120	.7514	.6888	.6397	.6010	.5697	.5443	.5252	.5106	.4994	.4908	.4844	.4797	.4761	.4735
50	\$120	.7466	.6837	.6348	.5959	.5643	.5397	.5213	.5071	.4963	.4883	.4824	.4780	.4748	.4725
	\$250	.7469	.6823	.6237	.5703	.5214	.4786	.4437	.4144	.3895	.3681	.3497	.3338	.3202	.3090
51	\$120	.7418	.6790	.6300	.5908	.5593	.5355	.5174	.5037	.4935	.4860	.4805	.4765	.4737	.4716
	\$250	.7422	.6758	.6157	.5609	.5113	.4700	.4357	.4067	.3820	.3608	.3426	.3271	.3144	.3040
52	\$120	.7372	.6745	.6252	.5855	.5546	.5314	.5137	.5005	.4909	.4839	.4788	.4752	.4726	.4708
	\$250	.7374	.6694	.6077	.5515	.5024	.4619	.4280	.3992	.3746	.3535	.3357	.3211	.3092	.2994
53	\$120	.7329	.6702	.6204	.5805	.5502	.5273	.5101	.4976	.4885	.4819	.4773	.4740	.4717	.4701
	\$250	.7327	.6629	.5996	.5425	.4943	.4542	.4204	.3916	.3671	.3464	.3294	.3156	.3043	.2950
54	\$120	.7290	.6660	.6155	.5758	.5459	.5234	.5068	.4948	.4862	.4802	.4759	.4730	.4709	.4695
	\$250	.7281	.6565	.5916	.5343	.4866	.4466	.4128	.3840	.3597	.3398	.3236	.3104	.2996	.2908
55	\$120	.7254	.6618	.6106	.5713	.5416	.5196	.5037	.4922	.4842	.4785	.4747	.4720	.4702	.4690
	\$250	.7235	.6501	.5837	.5268	.4792	.4391	.4051	.3764	.3529	.3337	.3181	.3055	.2952	.2870
56	\$120	.7220	.6575	.6060	.5669	.5375	.5161	.5007	.4898	.4823	.4771	.4736	.4712	.4696	.4686
	\$250	.7189	.6437	.5764	.5196	.4718	.4315	.3974	.3693	.3464	.3279	.3128	.3007	.2911	.2834
57	\$120	.7188	.6532	.6017	.5626	.5336	.5127	.4979	.4876	.4805	.4757	.4726	.4705	.4691	.4682
	\$250	.7144	.6374	.5697	.5127	.4645	.4239	.3901	.3625	.3402	.3222	.3078	.2963	.2873	.2802
58	\$120	.7156	.6491	.5974	.5583	.5298	.5094	.4952	.4855	.4789	.4745	.4717	.4698	.4687	.4679
	\$250	.7100	.6314	.5634	.5058	.4572	.4164	.3830	.3560	.3342	.3168	.3030	.2922	.2838	.2772
	\$500	.7101	.6312	.5598	.4953	.4373	.3857	.3409	.3021	.2686	.2398	.2150	.1938	.1757	.1604
59	\$120	.7124	.6452	.5931	.5543	.5261	.5063	.4927	.4835	.4774	.4735	.4709	.4693	.4683	.4677
	\$250	.7057	.6258	.5572	.4990	.4498	.4092	.3763	.3497	.3284	.3117	.2986	.2884	.2805	.2745
	\$500	.7058	.6251	.5519	.4860	.4270	.3753	.3305	.2918	.2585	.2300	.2057	.1850	.1677	.1531
60	\$120	.7092	.6413	.5890	.5503	.5226	.5034	.4903	.4817	.4761	.4725	.4703	.4688	.4680	.4675
	\$250	.7016	.6207	.5512	.4922	.4427	.4024	.3697	.3435	.3229	.3068	.2944	.2848	.2776	.2721
	\$500	.7016	.6190	.5442	.4768	.4171	.3652	.3203	.2817	.2486	.2204	.1967	.1767	.1601	.1462
61	\$120	.7062	.6376	.5850	.5465	.5192	.5006	.4881	.4801	.4749	.4717	.4697	.4685	.4677	.4673
	\$250	.6976	.6158	.5453	.4854	.4359	.3956	.3632	.3376	.3176	.3022	.2904	.2815	.2748	.2699
	\$500	.6976	.6130	.5365	.4678	.4076	.3554	.3103	.2717	.2389	.2112	.1880	.1688	.1528	.1397
62	\$120	.7034	.6339	.5811	.5427	.5160	.4979	.4861	.4785	.4738	.4709	.4692	.4681	.4675	.4672
	\$250	.6941	.6110	.5394	.4789	.4292	.3890	.3570	.3320	.3126	.2979	.2868	.2785	.2724	.2679
	\$500	.6937	.6072	.5289	.4593	.3984	.3457	.3004	.2619	.2294	.2023	.1798	.1612	.1460	.1336
63	\$120	.7006	.6304	.5773	.5391	.5129	.4954	.4842	.4772	.4728	.4703	.4687	.4678	.4673	.4670
	\$250	.6908	.6064	.5336	.4726	.4226	.3825	.3510	.3265	.3079	.2938	.2834	.2757	.2702	.2661
	\$500	.6899	.6016	.5218	.4511	.3894	.3362	.2907	.2523	.2202	.1937	.1718	.1540	.1396	.1279
64	\$120	.6980	.6270	.5736	.5357	.5099	.4931	.4824	.4759	.4720	.4697	.4684	.4676	.4672	.4670
	\$250	.6877	.6019	.5281	.4664	.4162	.3763	.3452	.3213	.3034	.2901	.2803	.2732	.2682	.2646
	\$500	.6864	.5962	.5149	.4431	.3805	.3268	.2812	.2430	.2113	.1854	.1642	.1472	.1335	.1227
	\$1,000	.6864	.5963	.5144	.4410	.3759	.3188	.2691	.2264	.1898	.1589	.1328	.1110	.0928	.0778
65	\$120	.6955	.6236	.5700	.5323	.5071	.4909	.4808	.4748	.4712	.4692	.4681	.4674	.4671	.4669
	\$250	.6848	.5976	.5227	.4604	.4100	.3702	.3396	.3164	.2991	.2865	.2774	.2710	.2664	.2632
	\$500	.6830	.5911	.5084	.4353	.3718	.3176	.2719	.2339	.2027	.1774	.1570	.1407	.1279	.1178
	\$1,000	.6831	.5910	.5073	.4324	.3660	.3080	.2580	.2151	.1788	.1483	.1228	.1017	.0844	.0702
66	\$120	.6931	.6204	.5666	.5291	.5044	.4888	.4793	.4738	.4706	.4688	.4678	.4673	.4670	.4668
	\$250	.6821	.5935	.5175	.4545	.4039	.3643	.3342	.3116	.2951	.2833	.2748	.2689	.2648	.2621

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$500	.6799	.5863	.5020	.4277	.3633	.3086	.2628	.2251	.1944	.1697	.1501	.1347	.1227	.1134
	\$1,000	.6799	.5860	.5005	.4239	.3563	.2975	.2470	.2041	.1680	.1380	.1132	.0929	.0764	.0631
67	\$120	.6908	.6173	.5632	.5260	.5019	.4869	.4780	.4729	.4700	.4684	.4676	.4671	.4669	.4668
	\$250	.6796	.5896	.5125	.4488	.3980	.3587	.3290	.3072	.2914	.2802	.2725	.2671	.2635	.2611
	\$500	.6771	.5819	.4960	.4202	.3549	.2997	.2539	.2165	.1863	.1624	.1436	.1291	.1179	.1093
	\$1,000	.6770	.5812	.4939	.4156	.3468	.2871	.2362	.1932	.1575	.1280	.1040	.0845	.0689	.0566
68	\$120	.6886	.6143	.5600	.5231	.4995	.4851	.4768	.4720	.4695	.4681	.4674	.4670	.4669	.4668
	\$250	.6773	.5859	.5076	.4432	.3923	.3532	.3241	.3029	.2879	.2775	.2703	.2655	.2623	.2602
	\$500	.6745	.5777	.4901	.4130	.3468	.2911	.2452	.2081	.1786	.1554	.1375	.1238	.1135	.1057
	\$1,000	.6744	.5768	.4875	.4076	.3374	.2769	.2256	.1826	.1472	.1184	.0952	.0766	.0620	.0505
69	\$120	.6865	.6114	.5569	.5202	.4972	.4835	.4756	.4713	.4690	.4679	.4673	.4670	.4668	.4667
	\$250	.6751	.5824	.5029	.4378	.3867	.3479	.3193	.2989	.2847	.2749	.2684	.2641	.2613	.2595
	\$500	.6722	.5737	.4845	.4060	.3388	.2826	.2368	.2000	.1711	.1488	.1318	.1190	.1094	.1024
	\$1,000	.6720	.5725	.4814	.3997	.3282	.2668	.2151	.1722	.1372	.1091	.0867	.0692	.0555	.0450
70	\$120	.6845	.6086	.5538	.5175	.4951	.4819	.4746	.4707	.4687	.4676	.4671	.4669	.4668	.4667
	\$250	.6732	.5790	.4984	.4326	.3813	.3428	.3148	.2952	.2817	.2726	.2667	.2629	.2604	.2589
	\$500	.6702	.5701	.4792	.3992	.3310	.2744	.2285	.1922	.1640	.1425	.1264	.1145	.1058	.0995
	\$1,000	.6699	.5686	.4755	.3921	.3192	.2569	.2048	.1620	.1276	.1002	.0788	.0622	.0495	.0400
71	\$120	.6827	.6059	.5509	.5149	.4930	.4805	.4737	.4701	.4683	.4675	.4670	.4668	.4668	.4667
	\$250	.6714	.5758	.4939	.4274	.3759	.3377	.3105	.2916	.2789	.2705	.2652	.2618	.2597	.2584
	\$500	.6684	.5666	.4740	.3925	.3232	.2661	.2203	.1845	.1571	.1365	.1213	.1103	.1025	.0970
	\$1,000	.6680	.5650	.4698	.3845	.3101	.2469	.1944	.1519	.1180	.0915	.0711	.0556	.0440	.0354
72	\$120	.6810	.6034	.5482	.5125	.4912	.4793	.4729	.4697	.4681	.4673	.4670	.4668	.4667	.4667
	\$250	.6699	.5729	.4898	.4226	.3710	.3331	.3065	.2884	.2764	.2687	.2639	.2609	.2591	.2580
	\$500	.6669	.5636	.4692	.3863	.3160	.2584	.2127	.1773	.1507	.1311	.1169	.1068	.0997	.0948
	\$1,000	.6664	.5618	.4647	.3775	.3016	.2375	.1847	.1424	.1091	.0835	.0642	.0498	.0392	.0316
73	\$120	.6794	.6010	.5457	.5103	.4896	.4782	.4722	.4693	.4679	.4672	.4669	.4668	.4667	.4667
	\$250	.6685	.5703	.4860	.4181	.3664	.3289	.3029	.2855	.2743	.2671	.2628	.2601	.2586	.2577
	\$500	.6658	.5610	.4650	.3805	.3091	.2511	.2055	.1708	.1449	.1262	.1129	.1036	.0973	.0930
	\$1,000	.6652	.5590	.4600	.3710	.2936	.2285	.1755	.1334	.1009	.0763	.0580	.0446	.0351	.0283
74	\$120	.6785	.5996	.5441	.5090	.4886	.4775	.4718	.4690	.4677	.4671	.4669	.4668	.4667	.4667
	\$250	.6678	.5687	.4836	.4153	.3635	.3263	.3007	.2838	.2730	.2662	.2621	.2597	.2583	.2575
	\$500	.6651	.5595	.4623	.3768	.3048	.2465	.2010	.1666	.1413	.1232	.1105	.1018	.0959	.0920
	\$1,000	.6646	.5574	.4572	.3669	.2885	.2228	.1697	.1278	.0958	.0718	.0542	.0416	.0327	.0264

\*Single Loss Limit values are expressed in thousands of dollars.

**Loss-Based Plan, with Various Single Loss Limits**

**Insurance Savings Table  
Hazard Group 9  
Effective October 29, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
40	\$120	.0000	.0100	.0281	.0504	.0757	.1325	.1955	.2632	.3347
41	\$120	.0000	.0093	.0265	.0480	.0724	.1276	.1891	.2555	.3258
42	\$120	.0000	.0086	.0250	.0455	.0691	.1227	.1828	.2478	.3170
43	\$120	.0000	.0080	.0234	.0431	.0658	.1177	.1764	.2401	.3087
44	\$120	.0000	.0073	.0219	.0407	.0625	.1128	.1700	.2323	.3020
45	\$120	.0000	.0067	.0205	.0384	.0593	.1079	.1635	.2246	.2961
46	\$120	.0000	.0062	.0191	.0361	.0561	.1031	.1571	.2178	.2907

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
47	\$120	.0000	.0056	.0177	.0338	.0530	.0982	.1507	.2120	.2855
48	\$120	.0000	.0051	.0164	.0316	.0499	.0934	.1443	.2067	.2804
49	\$120	.0000	.0046	.0151	.0294	.0468	.0886	.1384	.2017	.2754
50	\$120	.0000	.0041	.0138	.0273	.0438	.0838	.1333	.1968	.2703
	\$250	.0000	.0042	.0139	.0274	.0440	.0841	.1319	.1857	.2446
51	\$120	.0000	.0037	.0126	.0252	.0408	.0790	.1286	.1920	.2651
	\$250	.0000	.0037	.0127	.0254	.0410	.0793	.1254	.1777	.2353
52	\$120	.0000	.0033	.0115	.0232	.0379	.0743	.1241	.1872	.2599
	\$250	.0000	.0033	.0115	.0233	.0380	.0746	.1190	.1697	.2259
53	\$120	.0000	.0029	.0103	.0212	.0350	.0700	.1198	.1824	.2548
	\$250	.0000	.0029	.0104	.0214	.0352	.0699	.1125	.1616	.2168
54	\$120	.0000	.0025	.0093	.0193	.0322	.0662	.1156	.1774	.2502
	\$250	.0000	.0025	.0093	.0194	.0324	.0653	.1061	.1536	.2087
55	\$120	.0000	.0022	.0083	.0175	.0295	.0626	.1113	.1726	.2457
	\$250	.0000	.0022	.0083	.0176	.0296	.0607	.0996	.1457	.2012
56	\$120	.0000	.0019	.0073	.0157	.0268	.0592	.1071	.1680	.2413
	\$250	.0000	.0019	.0073	.0158	.0269	.0561	.0933	.1384	.1940
57	\$120	.0000	.0016	.0064	.0140	.0242	.0559	.1028	.1636	.2369
	\$250	.0000	.0016	.0064	.0141	.0244	.0516	.0869	.1317	.1870
58	\$120	.0000	.0013	.0056	.0124	.0219	.0527	.0987	.1594	.2327
	\$250	.0000	.0014	.0056	.0125	.0218	.0472	.0809	.1253	.1802
	\$500	.0000	.0014	.0056	.0125	.0219	.0473	.0808	.1218	.1697
59	\$120	.0000	.0011	.0048	.0109	.0198	.0496	.0947	.1551	.2286
	\$250	.0000	.0011	.0048	.0110	.0194	.0429	.0754	.1192	.1734
	\$500	.0000	.0011	.0048	.0110	.0195	.0430	.0746	.1139	.1604
60	\$120	.0000	.0009	.0040	.0094	.0179	.0464	.0909	.1510	.2247
	\$250	.0000	.0009	.0041	.0095	.0171	.0387	.0702	.1132	.1665
	\$500	.0000	.0009	.0041	.0095	.0172	.0388	.0686	.1061	.1511
61	\$120	.0000	.0007	.0034	.0082	.0161	.0434	.0872	.1470	.2208
	\$250	.0000	.0007	.0034	.0081	.0150	.0348	.0653	.1072	.1598
	\$500	.0000	.0007	.0034	.0082	.0150	.0348	.0626	.0984	.1422
62	\$120	.0000	.0006	.0028	.0071	.0145	.0406	.0835	.1431	.2171
	\$250	.0000	.0006	.0028	.0069	.0129	.0312	.0606	.1013	.1533
	\$500	.0000	.0006	.0028	.0069	.0129	.0308	.0568	.0909	.1337
63	\$120	.0000	.0004	.0023	.0061	.0129	.0378	.0800	.1393	.2135
	\$250	.0000	.0005	.0023	.0057	.0110	.0280	.0560	.0956	.1470
	\$500	.0000	.0005	.0023	.0057	.0110	.0271	.0512	.0837	.1255
64	\$120	.0000	.0003	.0018	.0052	.0114	.0352	.0765	.1356	.2100
	\$250	.0000	.0003	.0018	.0047	.0092	.0249	.0515	.0901	.1408
	\$500	.0000	.0003	.0018	.0047	.0092	.0236	.0458	.0769	.1175
	\$1,000	.0000	.0003	.0018	.0047	.0092	.0236	.0458	.0764	.1154
65	\$120	.0000	.0002	.0014	.0044	.0100	.0326	.0732	.1320	.2067
	\$250	.0000	.0003	.0014	.0037	.0076	.0220	.0472	.0847	.1348
	\$500	.0000	.0003	.0014	.0038	.0076	.0202	.0407	.0703	.1097

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$1,000	.0000	.0003	.0014	.0038	.0076	.0202	.0406	.0693	.1067
66	\$120	.0000	.0002	.0011	.0036	.0088	.0302	.0700	.1285	.2035
	\$250	.0000	.0002	.0010	.0029	.0063	.0193	.0431	.0795	.1289
	\$500	.0000	.0002	.0010	.0029	.0061	.0171	.0359	.0640	.1020
	\$1,000	.0000	.0002	.0010	.0029	.0061	.0171	.0356	.0625	.0983
67	\$120	.0000	.0001	.0008	.0030	.0076	.0279	.0669	.1252	.2004
	\$250	.0000	.0001	.0007	.0022	.0051	.0168	.0392	.0745	.1232
	\$500	.0000	.0001	.0008	.0022	.0048	.0142	.0314	.0579	.0946
	\$1,000	.0000	.0001	.0008	.0022	.0048	.0142	.0308	.0558	.0900
68	\$120	.0000	.0001	.0006	.0025	.0066	.0258	.0639	.1220	.1974
	\$250	.0000	.0001	.0005	.0017	.0040	.0145	.0355	.0696	.1176
	\$500	.0000	.0001	.0005	.0016	.0036	.0117	.0272	.0521	.0874
	\$1,000	.0000	.0001	.0005	.0016	.0036	.0116	.0263	.0495	.0819
69	\$120	.0000	.0000	.0005	.0020	.0056	.0237	.0610	.1188	.1946
	\$250	.0000	.0000	.0003	.0012	.0031	.0123	.0319	.0649	.1122
	\$500	.0000	.0000	.0003	.0011	.0027	.0094	.0233	.0465	.0804
	\$1,000	.0000	.0000	.0003	.0011	.0027	.0092	.0221	.0433	.0741
70	\$120	.0000	.0000	.0003	.0016	.0048	.0217	.0582	.1158	.1919
	\$250	.0000	.0000	.0002	.0008	.0024	.0104	.0286	.0603	.1070
	\$500	.0000	.0000	.0002	.0007	.0019	.0074	.0196	.0411	.0736
	\$1,000	.0000	.0000	.0002	.0007	.0018	.0070	.0182	.0375	.0665
71	\$120	.0000	.0000	.0002	.0012	.0040	.0198	.0554	.1129	.1893
	\$250	.0000	.0000	.0001	.0006	.0017	.0086	.0254	.0559	.1017
	\$500	.0000	.0000	.0001	.0004	.0012	.0056	.0162	.0359	.0669
	\$1,000	.0000	.0000	.0001	.0004	.0012	.0052	.0145	.0318	.0589
72	\$120	.0000	.0000	.0001	.0009	.0033	.0181	.0529	.1101	.1869
	\$250	.0000	.0000	.0001	.0004	.0012	.0070	.0225	.0517	.0969
	\$500	.0000	.0000	.0000	.0002	.0008	.0041	.0132	.0312	.0606
	\$1,000	.0000	.0000	.0000	.0002	.0007	.0036	.0114	.0267	.0519
73	\$120	.0000	.0000	.0001	.0007	.0028	.0166	.0506	.1076	.1847
	\$250	.0000	.0000	.0000	.0002	.0009	.0057	.0198	.0480	.0924
	\$500	.0000	.0000	.0000	.0001	.0004	.0029	.0106	.0269	.0549
	\$1,000	.0000	.0000	.0000	.0001	.0004	.0024	.0086	.0220	.0453
74	\$120	.0000	.0000	.0001	.0006	.0024	.0157	.0492	.1061	.1834
	\$250	.0000	.0000	.0000	.0001	.0007	.0049	.0182	.0456	.0896
	\$500	.0000	.0000	.0000	.0001	.0003	.0023	.0090	.0243	.0512
	\$1,000	.0000	.0000	.0000	.0000	.0002	.0017	.0070	.0192	.0412

\*Single Loss Limit values are expressed in thousands of dollars.

**WSR 10-16-153**  
**PROPOSED RULES**  
**LIQUOR CONTROL BOARD**  
 [Filed August 4, 2010, 10:37 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-10-023.

Title of Rule and Other Identifying Information: WAC 314-12-210 Chronic public inebriation (CPI) and alcohol impact areas (AIA)—Definitions—Purpose and 314-12-215 Alcohol impact areas—Definitions—Guidelines.

Hearing Location(s): Washington State Liquor Control Board, 3000 Pacific Avenue S.E., Olympia, WA 98504, on September 8, 2010, at 10:00 a.m.

Date of Intended Adoption: September 15, 2010.

Submit Written Comments to: Karen McCall, 3000 Pacific Avenue S.E., Olympia, WA 98504, e-mail [karen@liq.wa.gov](mailto:karen@liq.wa.gov), fax (360) 664-9689.

Assistance for Persons with Disabilities: Contact Karen McCall by September 8, 2010, (360) 664-1631.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This rule making is intended to clarify the process and criteria for local governments to petition for creation of an alcohol impact area.

Reasons Supporting Proposal: The existing rules included language that is no longer relevant and needed to be revised to clarify the process for local governments.

Statutory Authority for Adoption: RCW 66.08.030.

Statute Being Implemented: RCW 66.24.010.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state liquor control board, governmental.

Name of Agency Personnel Responsible for Drafting: Karen McCall, 3000 Pacific Avenue S.E., Olympia, WA 98504, (360) 664-1631; Implementation: Chris Liu, 3000 Pacific Avenue S.E., Olympia, WA 98504, (360) 664-1712; and Enforcement: Pat Parmer, Enforcement Chief, 3000 Pacific Avenue S.E., Olympia, WA 98504, (360) 664-1726.

No small business economic impact statement has been prepared under chapter 19.85 RCW. This proposal does not change the impact on liquor licensees or stakeholders.

A cost-benefit analysis is not required under RCW 34.05.328.

August 4, 2010

Sharon Foster  
Chairman

AMENDATORY SECTION (Amending WSR 99-13-042, filed 6/8/99, effective 7/9/99)

**WAC 314-12-210 Chronic public inebriation (~~((CPI))~~) and alcohol impact areas (~~((AIA))~~)—Definitions)—Purpose.** (1) **What is the purpose of ~~((these))~~ the rules concerning chronic public inebriation and alcohol impact areas?**

(a) The enabling statutes for the (~~((liquor control))~~) board are contained in chapter 66.08 RCW. These statutes authorize the board to exercise the police powers of the state for the protection of the welfare, health, peace, and safety of the people of Washington.

(b) The board's mandate to protect the welfare, health, peace, and safety of the people is to ensure that a liquor licensee(s) conducts (~~((their))~~) his or her business in a lawful manner and that the presence of a licensee's (~~((alcohol))~~) liquor sales does not unreasonably disturb the welfare, health, peace(;) or safety of the surrounding community.

(c) The purpose of (~~((these))~~) the rules concerning chronic public inebriation and alcohol impact areas is to establish a framework under which the board, in partnership with local government and community organizations, (~~((can))~~) may act to

mitigate negative impacts on a community's welfare, health, peace(;) or safety that result from the presence of chronic public inebriation.

(d) For the purpose of these rules, chronic public inebriation exists when the effects of the public consumption of (~~((alcohol and))~~) liquor or public intoxication occur in concentrations that endanger the welfare, health, peace(;) or safety of a neighborhood or community.

**(2) What do ~~((these))~~ the rules concerning chronic public inebriation and alcohol impact areas seek to do?** WAC 314-12-210 and 314-12-215 seek to:

(a) Establish an expanded local review process for liquor license applications, (~~((assumptions\*, and renewals inside))~~) license assumptions, and renewals of active liquor licenses for businesses located within a recognized alcohol impact area (~~((AIA))~~);

(b) (~~((Create))~~) Establish standards under which the board may refuse to issue a liquor license; may refuse to permit (~~((the))~~) a license assumption or renewal of a liquor license; may place conditions or restrictions upon the issuance, assumption(;) or renewal of a license; or may place conditions or restrictions on an existing license (~~((inside a recognized AIA))~~) located within the geographical boundaries of a recognized alcohol impact area; and

(c) Allow the board(;) in specific circumstances(;) to restrict the off-premises sale of certain (~~((alcohol))~~) liquor products or (~~((alcohol))~~) liquor product containers inside a recognized (~~((AIA))~~) alcohol impact area.

(\*Note: A liquor license assumption refers to an application by a prospective new owner/operator for an existing licensed business. Under certain conditions, such applicants may apply for a temporary license to continue operations during the new license application review period.)

AMENDATORY SECTION (Amending WSR 99-13-042, filed 6/8/99, effective 7/9/99)

**WAC 314-12-215 Alcohol impact areas—Definition—Guidelines.** (1) **What is an alcohol impact area (~~((AIA))~~), and how is it different?**

(a) An alcohol impact area is a geographic area located within a city, town(;) or county, and that is adversely affected by chronic public inebriation or illegal activity associated with (~~((alcohol))~~) liquor sales or consumption. (~~((The area must be designated by ordinance by the government subdivision and recognized by resolution of the board before any enhanced processes described by these rules are applied.))~~)

(b) The board may place special conditions or restrictions upon off-premises sales privileges, liquor products, applicants, license assumptions or licensees that sell liquor for off-premises consumption (see subsection (3) of this section).

(c) The board applies a unique investigative and review process when evaluating liquor license applications, license assumptions or renewals for businesses located in an alcohol impact area.

(2) (~~((What guidelines will the board use to recognize an alcohol impact area (AIA)?~~) The board, by resolution, may recognize an AIA adopted by a city, town, or county and subsequently referred to the board by that government subdivi-

vision. To achieve recognition, the AIA must meet all of the following conditions:

(a) The AIA comprises a geographic area that does not include the entire territory of the local jurisdiction;

(b) The government subdivision has given a rationale, expressed in the ordinance, for the establishment of the proposed boundaries of the AIA;

(c) ~~The government subdivision has described the boundaries of the AIA in the ordinance.~~ **How is an alcohol impact area formed?** A local authority (that is, a city, town or county) must first designate an alcohol impact area by ordinance and make good faith efforts for at least six months to mitigate the effects of chronic public inebriation with such ordinance before petitioning the board to recognize an alcohol impact area. The board must recognize an alcohol impact area before any unique review process, condition or restriction described in this rule may be applied. A local authority must meet certain conditions to achieve recognition.

(a) The geographic area of an alcohol impact area must not include the entire territory of a local authority. However, when a local authority designates a street as a boundary, the board encourages that the local authority include both sides of the street for greater effectiveness.

(b) Local authority ordinance must explain the rationale of the proposed boundaries, and describe the boundaries in such a way that:

(i) The board can determine which liquor licensees are in the proposed alcohol impact area; and

(ii) The boundaries are understandable to the public at large.

~~((d) The AIA ordinance includes findings of fact which establish:))~~ (c) A local authority must:

(i) Submit findings of fact that demonstrate a need for an alcohol impact area and how chronic public inebriation or illegal activity associated with ~~((alcohol))~~ liquor sales ~~((and))~~ or consumption within ~~((the))~~ a proposed ~~((AIA is contributing))~~ alcohol impact area:

(A) Contributes to the deterioration of the general quality of life within ~~((the))~~ an alcohol impact area; or

(B) Threatens the welfare, health, peace~~(s)~~ or safety of ~~((the))~~ an alcohol impact area's visitors ~~((and))~~ or occupants;

(ii) ~~((There is))~~ Submit findings of fact that demonstrate a pervasive pattern of public intoxication ~~((and))~~ or public consumption of ~~((alcohol))~~ liquor as documented in crime statistics, police reports, emergency medical response data, detoxification reports, sanitation reports, public health records, ~~((or))~~ other similar records, community group petitions, public testimony or testimony by current or former chronic public inebriants; ~~((and))~~

(iii) ~~((A good faith effort has been made by the government subdivision to control the problem through voluntary efforts that may include cooperation with neighborhood citizen and/or business organizations, and must include the notification of licensees within the proposed AIA of public intoxication problems and of voluntary remedies available to them to resolve the problem.~~

(e) ~~The AIA will take effect on the date of the board's resolution extending recognition to the AIA.)~~ Submit documentation that demonstrates a local authority's past good

faith efforts to control the problem through voluntary measures (see subsection (4) of this section);

(iv) Explain why past voluntary measures failed to sufficiently resolve the problem; and

(v) Request additional conditions or restrictions and explain how the conditions or restrictions will reduce chronic public inebriation or illegal activity associated with off-premises sales or liquor consumption (see subsection (3) of this section).

(3) ~~((Once an AIA is recognized by the board, what processes, conditions, or restrictions may the board apply?))~~ **What conditions or restrictions may the board recognize for an alcohol impact area?**

(a) ~~((The board will apply a unique local license review process for liquor license applications, assumptions, and renewals within the AIA.~~

(b) The board may place conditions or restrictions on the off-premises sale privilege of liquor licenses within the AIA. These restrictions must be reasonably related to reducing chronic public inebriation or illegal activity associated with off-premises alcohol sales and/or consumption. ~~These))~~ Restrictions may include, but are not limited to:

(i) ~~((Restrictions on the))~~ Business hours of operation for off-premises ~~((alcohol))~~ liquor sales ~~((within the AIA));~~

(ii) ~~((Restrictions on the))~~ Off-premises sale of certain ~~((alcohol))~~ liquor products within ~~((the AIA))~~ an alcohol impact area; ~~((and))~~ or

(iii) ~~((Restrictions on alcohol))~~ Container sizes available for off-premises sale ~~((within the AIA)).~~

(b) Product restrictions (for example, prohibition of certain liquor products or container sizes) must originate from a local authority's law enforcement agency or public health authority, whereas restrictions affecting business operations (for example, hours of operation) may originate from a local authority's law enforcement agency, public authority or governing body.

(c) Product restrictions must be reasonably linked to problems associated with chronic public inebriation or illegal activity. Reasonable links include, but are not limited to: Police, fire or emergency medical response statistics; photographic evidence; law enforcement, citizen or medical-provider testimonial; testimony by current or former chronic public inebriants; litter pickup; or other statistically documented evidence that a reasonable person may rely upon to determine whether a product is associated with chronic public inebriation or illegal activity.

(d) Restricted beer and wine products must have minimum alcohol content of five and seven-tenths percent by volume and twelve percent by volume, respectively.

(e) Upon board approval and upon an individual product by individual product basis, a local authority may restrict a product that is already restricted in another board-recognized alcohol impact area provided that a product is significantly materially similar (for example, comparable alcohol percent content, container size or liquor category such as alcoholic energy drinks) to products already restricted in its own alcohol impact area. Upon board approval and upon an individual product by individual product basis, a local authority may also restrict a product that is significantly materially similar to products already restricted in its own alcohol impact area.

In both cases, a local authority must demonstrate to the board, in writing, the material similarities and need for product inclusion, but the board will not require a local authority to submit extensive documented evidence as described in (c) of this subsection.

(f) A local authority may propose the removal of a condition, restriction or product from its alcohol impact area's restricted product list provided that a local authority demonstrates its reason (such as, a product is no longer produced or bottled) to the board in writing.

(4) ~~What ((are the circumstances required for the board to restrict the off-premises sale of alcohol within an AIA)) types of voluntary efforts must a local authority attempt before the board will recognize an alcohol impact area?~~ ((The board may restrict the off-premises sale of alcohol within an AIA, subject to all of the following conditions:

(a) Product restrictions must be requested by the government subdivision's law enforcement agency or public health authority;

(b) The board must find that the off-premises sale of such alcohol products is reasonably linked to the problems associated with chronic public inebriation; and

(c) The government subdivision must have shown that voluntary efforts have failed to significantly reduce the impact of chronic public inebriation, or that voluntary efforts need augmentation by license restrictions described in subsection (3) of this section.

(5) ~~What type of voluntary efforts must the government subdivision attempt before the board will implement mandatory product restrictions?~~ Before the board will implement mandatory product restrictions, the government subdivision's voluntary efforts must include:

(a) Notification of all off-premises sales licensees in the proposed AIA that behavior associated with alcohol sales is having an impact on chronic public inebriation.

(b) Documentation that the government subdivision has made reasonable efforts to implement voluntary agreements to promote business practices that reduce chronic public inebriation and promote public welfare, health, peace, and safety with licensees within the AIA who sell alcohol for off-premises consumption.)

(a) A local authority must notify all off-premises sales licensees in a proposed alcohol impact area that:

(i) Behavior associated with liquor sales and associated illegal activity is impacting chronic public inebriation; and

(ii) Existing voluntary options are available to them to remedy the problem.

(b) A local authority's efforts must include additional voluntary actions. Examples include, but are not limited to:

(i) Collaborative actions with neighborhood citizens, community groups or business organizations to promote business practices that reduce chronic public inebriation;

(ii) Voluntary agreements with off-premises sales licensees to promote public welfare, health, peace or safety;

(iii) Licensees voluntarily discontinuing to sell a product;

(iv) Distribution of educational materials to chronic public inebriants or licensees;

(v) Detoxification services;

(vi) Business incentives to discourage the sale of problem products; or

(vii) Change in land use ordinances.

(c) ((Implementation of these voluntary agreements must have been attempted)) A local authority must implement these voluntary agreements for at least six months before ((information is presented)) a local authority may present documentation to the board that voluntary efforts ((have)) failed ((or)) to adequately mitigate the effects of chronic public inebriation and need augmentation.

~~((6) If restrictions are approved for an AIA, the board will)) (5) What will the board do once it recognizes an alcohol impact area?~~

(a) ((Notify the appropriate beer and wine distributors of the product restrictions placed on off-premises licensees within the AIA.

(b) When product restrictions on the off-premises sale of alcohol products are placed on licensees within an AIA, no state liquor store or agency within the AIA may sell these restricted products.) The board will notify, in a timely manner, the appropriate liquor distributors of the product restrictions.

(b) No state liquor store or agency located within an alcohol impact area may sell that alcohol impact area's restricted products.

(c) The board will notify, in a timely manner, all off-premises sales licensees in a proposed or existing alcohol impact area whenever the board recognizes, or recognizes changes to, an alcohol impact area (see subsection (7) of this section).

~~((7)) (6) What is the review process for liquor license applications, license assumptions, and renewals ((for licensees)) inside ((a recognized AIA)) an alcohol impact area? ((Subject to the provisions of RCW 66.24-010(8):))~~

(a) When the board receives an application for a new liquor license or a license assumption that includes an off-premises sales privilege, the board will establish an extended time period of sixty calendar days for ((the government subdivision)) a local authority to comment ((or)) upon the ((liquor license)) application ((or assumption)).

(i) ((The government subdivision)) A local authority may, and is encouraged to, submit comment before the end of ((this sixty-day period, but)) a comment period. A local authority may request an extension of ((this)) a comment period when unusual circumstances, which must be explained in the request, require additional time for comment.

(ii) ((The requesting government subdivision)) A local authority will notify ((the)) a licensee or applicant when ((an extension of the)) a local authority requests the board to extend a sixty-day comment period ((is requested)).

(b) For renewals, ((notice will be mailed to the government subdivision not less than)) the board will notify a local authority at least ninety calendar days before ((the)) a current license expires. The same requirements in (a)(i) and (ii) of this subsection apply to the ninety-day comment period for problem renewals. For the purposes of this section, a problem renewal means a licensee, a licensed business or a

licensed location with a documented history of noncompliance or illegal activity.

~~((8)) (7) **When and for how long will an (AIA) alcohol impact area be in effect, and may an alcohol impact area be changed?** ((An AIA will remain in effect until:~~

~~(a) The sponsoring government subdivision repeals the specific enabling ordinance that originally defined the specific AIA recognized by the board; or~~

~~(b) The board repeals its recognition of an AIA as the result of a public hearing, called by the board acting on its own initiative or at the request of a community organization within the AIA, made after the AIA has been in effect for at least two years.))~~

(a) An alcohol impact area takes effect on the day that the board passes a resolution to recognize an alcohol impact area. However, product prohibitions take effect no less than thirty calendar days after the board passes such resolution in order to give retailers and distributors sufficient time to remove products from their inventories.

(b) An alcohol impact area remains in effect until:

(i) A local authority repeals the enabling ordinance that defines an alcohol impact area;

(ii) A local authority requests that the board revoke its recognition of an alcohol impact area;

(iii) The board repeals its recognition of an alcohol impact area of its own initiative and following a public hearing; or

(iv) A local authority fails to comply with subsection (8) of this section.

(c) A local authority may petition the board to modify an alcohol impact area's geographic boundaries, repeal or modify an existing condition or restriction, or create a new condition or restriction. The board may agree to do so provided that a local authority shows good cause and submits supporting documentation (see subsections (2) and (3) of this section).

(d) Prohibition of a new product added to an existing prohibited products list takes effect no less than thirty calendar days following the board's recognition of a modified prohibited products list.

**(8) Reporting requirements and five-year assessments.**

(a) A local authority shall submit annual reports to the board that clearly demonstrate the intended effectiveness of an alcohol impact area's conditions or restrictions. Reports are due no later than sixty calendar days following each anniversary of the board's recognition of an alcohol impact area.

(b) The board will conduct an assessment of an alcohol impact area once every five years following the fifth, tenth, fifteenth, et cetera, anniversary of the board's recognition of an alcohol impact area. The five-year assessment process is as follows:

(i) Within ten calendar days of receiving a local authority's fifth, tenth, fifteenth, et cetera, annual report, the board shall notify affected parties of the upcoming assessment, whereupon an affected party has twenty calendar days to comment upon, or petition the board to discontinue its recognition of, an alcohol impact area (see (d) of this subsection).

Affected parties may include, but are not limited to: Licensees, citizens or neighboring local authorities.

(ii) An affected party may submit a written request for one twenty calendar-day extension of the comment/petition period, which the board may grant provided that an affected party provides sufficient reason why he or she is unable to meet the initial twenty-day deadline.

(iii) The board will complete an assessment within sixty calendar days following the close of the final comment/petition period.

(c) An assessment shall include an analysis of:

(i) Comments or petitions submitted by affected parties; and

(ii) Each annual report submitted during a five-year period.

An assessment shall also include modifications that a local authority must make to an alcohol impact area as required by the board, or the board's reasons for revoking recognition of an alcohol impact area.

(d) To successfully petition the board to discontinue its recognition of an alcohol impact area, an affected party must:

(i) Submit findings of fact that demonstrate how chronic public inebriation, or illegal activity associated with liquor sales or consumption, within a proposed alcohol impact area does not or no longer:

(A) Contributes to the deterioration of the general quality of life within an alcohol impact area; or

(B) Threatens the welfare, health, peace or safety of an alcohol impact area's visitors or occupants;

(ii) Submit findings of fact that demonstrate the absence of a pervasive pattern of public intoxication or public consumption of liquor as documented in crime statistics, police reports, emergency medical response data, detoxification reports, sanitation reports, public health records or similar records; and

(iii) Demonstrate how the absence of conditions or restrictions will reduce chronic public inebriation or illegal activity associated with off-premises sales or liquor consumption (see subsection (3) of this section).

(e) An affected party may submit a written request for one twenty-day extension of the comment period, which the board may grant provided that an affected party provides sufficient reason why he or she is unable to meet the twenty-day deadline.

## WSR 10-16-155

### PROPOSED RULES

#### DEPARTMENT OF HEALTH

(Board of Osteopathic Medicine and Surgery)

[Filed August 4, 2010, 10:59 a.m.]

Supplemental Notice to WSR 10-04-066.

Preproposal statement of inquiry was filed as WSR 07-16-141.

Title of Rule and Other Identifying Information: WAC 246-853-650 adding a new section for safe and effective analgesia and anesthesia administration in office-based settings (supplemental).

Hearing Location(s): Pacific NW University of Health Sciences, 111 University Parkway, Iron Horse Lodge, Yakima, WA 98901, on September 17, 2010, at 9:00 a.m.

Date of Intended Adoption: September 17, 2010.

Submit Written Comments to: Erin Obenland, Program Manager, P.O. Box 47852, Olympia, WA 98504-7852, web site <http://www3.doh.wa.gov/policyreview/>, fax (360) 236-2406, by September 3, 2010.

Assistance for Persons with Disabilities: Contact Erin Obenland by September 3, 2010, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The purpose of the proposed supplemental rule is to establish consistent standards for osteopathic physicians who administer sedation in an office-based surgery setting (OBS). The board of osteopathic medicine and surgery (board) is proposing the following amendments to the standards in the original proposal: Definition of "local infiltration," definition of office-based surgery, exemptions, facility accreditation and certification, competency requirements, advanced cardiac life support requirements, sedation assessment and management requirements, and separation of surgical and monitoring functions.

Reasons Supporting Proposal: The board made changes to the rules based on comments received by stakeholders and changes made by the medical quality assurance commission to OBS rules for allopathic physicians. Rules are needed to establish enforceable standards to reduce the risk of substandard care, inappropriate anesthesia, and serious complications by osteopathic physicians in OBS settings.

Statutory Authority for Adoption: RCW 18.57.005, 18.130.050.

Statute Being Implemented: Chapter 18.57 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, board of osteopathic medicine and surgery, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Erin Obenland, 310 Israel Road S.E., Tumwater, WA 98501, (360) 236-4945.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule would not impose more than minor costs on businesses in an industry.

A cost-benefit analysis is required under RCW 34.05.328. A preliminary cost-benefit analysis may be obtained by contacting Erin Obenland, Program Manager, Board of Osteopathic Medicine and Surgery, P.O. Box 47852, Olympia, WA 98504-7852, phone (360) 236-4945, fax (360) 236-2406, e-mail [erin.obenland@doh.wa.gov](mailto:erin.obenland@doh.wa.gov).

August 4, 2010

Blake T. Maresh  
Executive Director

## NEW SECTION

**WAC 246-853-650 Safe and effective analgesia and anesthesia administration in office-based settings.** (1) Purpose. The purpose of this rule is to promote and establish consistent standards, continuing competency, and to promote

patient safety. The board of osteopathic medicine and surgery establishes the following rule for physicians licensed under this chapter who perform surgical procedures and use anesthesia, analgesia or sedation in office-based settings.

(2) Definitions. The following terms used in this subsection apply throughout this rule unless the text clearly indicates otherwise:

(a) "Board" means the board of osteopathic medicine and surgery.

(b) "Deep sedation" or "analgesia" means a drug-induced depression of consciousness during which patients cannot be easily aroused but respond purposefully following repeated or painful stimulation. The ability to independently maintain ventilatory function may be impaired. Patients may require assistance in maintaining a patent airway, and spontaneous ventilation may be inadequate. Cardiovascular function is maintained.

(c) "General anesthesia" means a state of unconsciousness intentionally produced by anesthetic agents, with absence of pain sensation over the entire body, in which the patient is without protective reflexes and is unable to maintain an airway. Sedation that unintentionally progresses to the point at which the patient is without protective reflexes and is unable to maintain an airway is not considered general anesthesia.

(d) "Local infiltration" means the process of infusing a local anesthetic agent into the skin and other tissues to allow painless wound irrigation, exploration and repair, and other procedures, including procedures such as retrobulbar or periorbital ocular blocks only when performed by a board eligible or board certified ophthalmologist. It does not include procedures in which local anesthesia is injected into areas of the body other than skin or muscle where significant cardiovascular or respiratory complications may result.

(e) "Major conduction anesthesia" means the administration of a drug or combination of drugs to interrupt nerve impulses without loss of consciousness, such as epidural, caudal, or spinal anesthesia, lumbar or brachial plexus blocks, and intravenous regional anesthesia. Major conduction anesthesia does not include isolated blockade of small peripheral nerves, such as digital nerves.

(f) "Minimal sedation" or "analgesia" means a drug-induced state during which patients respond normally to verbal commands. Although cognitive function and coordination may be impaired, ventilatory and cardiovascular functions are unaffected. Minimal sedation is limited to oral or intramuscular medications, or both.

(g) "Moderate sedation" or "analgesia" means a drug-induced depression of consciousness during which patients respond purposefully to verbal commands, either alone or accompanied by tactile stimulation. No interventions are required to maintain a patent airway, and spontaneous ventilation is adequate. Cardiovascular function is maintained.

(h) "Office-based surgery" means any surgery or invasive medical procedure requiring analgesia or sedation, including, but not limited to, local infiltration for tumescent liposuction performed in a location other than a hospital, or hospital-associated surgical center licensed under chapter 70.41 RCW, or an ambulatory surgical facility licensed under chapter 70.230 RCW.

(i) "Physician" means an osteopathic physician licensed under chapter 18.57 RCW.

(3) Exemptions. This rule does not apply to physicians when:

(a) Performing surgery and medical procedures that require only minimal sedation (anxiolysis), or infiltration of local anesthetic around peripheral nerves. Infiltration around peripheral nerves does not include infiltration of local anesthetic agents in an amount that exceeds the manufacturer's published recommendations.

(b) Performing surgery in a hospital or hospital-associated surgical center licensed under chapter 70.41 RCW, or an ambulatory surgical facility licensed under chapter 70.230 RCW.

(c) Performing surgery using general anesthesia. Facilities in which physicians perform procedures in which general anesthesia is a planned event are regulated by rules related to hospitals or hospital-associated surgical centers licensed under chapter 70.41 RCW, or ambulatory surgical facilities licensed under chapter 70.230 RCW.

(d) Performing oral and maxillofacial surgery, and the physician:

(i) Is licensed both as a physician under chapter 18.57 RCW and as a dentist under chapter 18.32 RCW;

(ii) Complies with dental quality assurance commission regulations;

(iii) Holds a valid:

(A) Moderate sedation permit; or

(B) Moderate sedation with parenteral agents permit; or

(C) General anesthesia and deep sedation permit; and

(iv) Practices within the scope of his or her specialty.

(4) Application of rule. This rule applies to physicians practicing independently or in a group setting who perform office-based surgery employing one or more of the following levels of sedation or anesthesia:

(a) Moderate sedation or analgesia; or

(b) Deep sedation or analgesia; or

(c) Major conduction anesthesia.

(5) Accreditation or certification. Within three hundred sixty-five calendar days of the effective date of this rule, a physician who performs a procedure under this rule must ensure that the procedure is performed in a facility that is appropriately equipped and maintained to ensure patient safety through accreditation or certification and in good standing from one of the following:

(a) The Joint Commission (JC);

(b) The Accreditation Association for Ambulatory Health Care (AAAHC);

(c) The American Association for Accreditation of Ambulatory Surgery Facilities (AAAASF);

(d) The Centers for Medicare and Medicaid Services (CMS); or

(e) In lieu of accreditation or certification by one of the above-listed entities, facilities limiting office-based surgery to abortions or abortion-related services may be accredited or certified by either the Planned Parenthood Federation of America or the National Abortion Federation.

(6) Competency. When an anesthesiologist or certified registered nurse anesthetist is not present, the physician performing office-based surgery and using a form of sedation

defined in subsection (4) of this section must be competent and qualified both to perform the operative procedure and to oversee the administration of intravenous sedation and analgesia.

(7) Qualifications for administration of sedation and analgesia may include:

(a) Completion of a continuing medical education course in conscious sedation; or

(b) Relevant training in a residency training program; or

(c) Having privileges for conscious sedation granted by a hospital medical staff.

(8) Resuscitative preparedness. At least one licensed health care practitioner currently certified in advanced resuscitative techniques appropriate for the patient age group (e.g., advanced cardiac life support (ACLS), pediatric advanced life support (PALS) or advanced pediatric life support (APLS)) must be present or immediately available with age-appropriate resuscitative equipment throughout the procedure and until the patient has met the criteria for discharge from the facility.

(9) Sedation, assessment and management.

(a) Sedation is a continuum. Depending on the patient's response to drugs, the drugs administered, and the dose and timing of drug administration, it is possible that a deeper level of sedation will be produced than initially intended.

(b) If an anesthesiologist or certified registered nurse anesthetist is not present, a physician intending to produce a given level of sedation should be able to "rescue" patients who enter a deeper level of sedation than intended.

(c) If a patient enters into a deeper level of sedation than planned, the physician must return the patient to the lighter level of sedation as quickly as possible, while closely monitoring the patient to ensure the airway is patent, the patient is breathing, and that oxygenation, the heart rate, and blood pressure are within acceptable values. A physician who returns a patient to a lighter level of sedation in accordance with this subsection (c) does not violate subsection (10) of this section.

(10) Separation of surgical and monitoring functions.

(a) The physician performing the surgical procedure must not administer the intravenous sedation, or monitor the patient.

(b) The licensed health care practitioner, designated by the physician to administer intravenous medications and monitor the patient who is under moderate sedation, may assist the operating physician with minor, interruptible tasks of short duration once the patient's level of sedation and vital signs have been stabilized, provided that adequate monitoring of the patient's condition is maintained. The licensed health care practitioner who administers intravenous medications and monitors a patient under deep sedation or analgesia must not perform or assist in the surgical procedure.

(11) Emergency care and transfer protocols. A physician performing office-based surgery must ensure that in the event of a complication or emergency:

(a) All office personnel are familiar with a written and documented plan to timely and safely transfer patients to an appropriate hospital.

(b) The plan must include arrangements for emergency medical services and appropriate escort of the patient to the hospital.

(12) Medical record. The physician performing office-based surgery must maintain a legible, complete, comprehensive and accurate medical record for each patient.

(a) The medical record must include:

- (i) Identity of the patient;
- (ii) History and physical, diagnosis and plan;
- (iii) Appropriate lab, X ray or other diagnostic reports;
- (iv) Appropriate preanesthesia evaluation;
- (v) Narrative description of procedure;
- (vi) Pathology reports, if relevant;
- (vii) Documentation of which, if any, tissues and other specimens have been submitted for histopathologic diagnosis;
- (viii) Provision for continuity of postoperative care; and
- (ix) Documentation of the outcome and the follow-up plan.

(b) When moderate or deep sedation or major conduction anesthesia is used, the patient medical record must include a separate anesthesia record that documents:

- (i) Type of sedation or anesthesia used;
- (ii) Drugs (name and dose) and time of administration;
- (iii) Documentation at regular intervals of information obtained from intraoperative and postoperative monitoring;
- (iv) Fluids administered during the procedure;
- (v) Patient weight;
- (vi) Level of consciousness;
- (vii) Estimated blood loss;
- (viii) Duration of procedure; and
- (ix) Any complication or unusual events related to the procedure or sedation/anesthesia.