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HOUSE BILL 2252

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State of Washington

52nd Legislature

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By Representatives D. Sommers, Fuhrman, Bowman, Moyer, Silver, Van Loven, Chandler and Tate

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1 AN ACT Relating to fixing industrial insurance premium rates by  
2 statute; amending RCW 51.16.035; creating a new section; and declaring  
3 an emergency.

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

5 **Sec. 1.** RCW 51.16.035 and 1989 c 49 s 1 are each amended to read  
6 as follows:

7 The department shall classify all occupations or industries in  
8 accordance with their degree of hazard and, except as premium rates are  
9 otherwise fixed by statute, fix therefor basic rates of premium which  
10 shall be the lowest necessary to maintain actuarial solvency of the  
11 accident and medical aid funds in accordance with recognized insurance  
12 principles. The department shall formulate and adopt rules and  
13 regulations governing the method of premium calculation and collection  
14 and providing for a rating system consistent with recognized principles

1 of workers' compensation insurance which shall be designed to stimulate  
2 and encourage accident prevention and to facilitate collection. The  
3 department may annually, or at such other times as it deems necessary  
4 to maintain solvency of the funds, readjust rates in accordance with  
5 the rating system to become effective on such dates as the department  
6 may designate, or may readjust rates as necessary to comply with rates  
7 fixed by statute.

8 The department may insure the workers' compensation obligations of  
9 employers as a group if the following conditions are met:

10 (1) All the employers in the group are members of an organization  
11 that has been in existence for at least two years;

12 (2) The organization was formed for a purpose other than that of  
13 obtaining workers' compensation coverage;

14 (3) The occupations or industries of the employers in the  
15 organization are substantially similar, taking into consideration the  
16 nature of the services being performed by workers of such employers;  
17 and

18 (4) The formation and operation of the group program in the  
19 organization will substantially improve accident prevention and claim  
20 management for the employers in the group.

21 In providing an employer group plan under this section, the  
22 department may consider an employer group as a single employing entity  
23 for purposes of dividends or premium discounts.

24 NEW SECTION. **Sec. 2.** The average industrial insurance premium  
25 rate under Title 51 RCW for the 1992 calendar year shall be fixed at a  
26 rate no greater than the average industrial insurance premium rate set  
27 by the department of labor and industries for calendar year 1991. In  
28 implementing this section, the department may adjust the 1992  
29 industrial insurance premium rates to reflect employers' claims

1 experience under the industrial insurance rating system, so long as the  
2 average industrial insurance premium rate for 1992 does not exceed the  
3 average industrial insurance premium rate in effect in 1991.

4 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
5 preservation of the public peace, health, or safety, or support of the  
6 state government and its existing public institutions, and shall take  
7 effect immediately.