

HB 1002 - H AMD 82

By Representative Schmidt

1 On page 3, after line 5, insert the following:

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3 "Sec. 2. RCW 51.16.035 and 2005 c 410 s 1 are each amended to
4 read as follows:

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

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

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

12 (2)(a) The department shall formulate and adopt rules governing
13 the method of premium calculation and collection and providing for a
14 rating system consistent with recognized principles of workers'
15 compensation insurance which shall be designed to stimulate and
16 encourage accident prevention and to facilitate collection. The
17 department may annually, or at such other times as it deems
18 necessary to achieve the objectives under this section, readjust
19 rates in accordance with the rating system to become effective on
20 such dates as the department may designate.

21 (b) For risk classifications applied to county coroners and
22 medical examiner personnel the department shall ensure the premium
23 rates are set at a level that:

24 (i) Is the lesser of the rate change indicated by applying
25 generally accepted actuarial principles to the risk class or any
26 maximum rate increase set by the director that is applied to all
27 risk classes; and

1 (ii) Includes any rate increases or decreases equally applied to
2 all risk classes as part of the rate setting process.

3 (3)(a) After the first report is issued by the state auditor
4 under RCW 51.44.115, the workers' compensation advisory committee
5 shall review the report and, as the committee deems appropriate, may
6 make recommendations to the department concerning:

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

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

17 (b) Following subsequent reports issued by the state auditor
18 under RCW 51.44.115, the workers' compensation advisory committee
19 may, as it deems appropriate, update its recommendations to the
20 department on the matters covered under (a) of this subsection.

21 (4) In providing a retrospective rating plan under RCW
22 51.18.010, the department may consider each individual retrospective
23 rating group as a single employing entity for purposes of dividends
24 or premium discounts."

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EFFECT:

- Requires the Department of Labor and Industries (Department) to set the premium rate for county coroner and medical examiner personnel to the lesser of either the rate change indicated by general actuarial principles or the maximum rate increase for all risk classes set by the Director of the Department.
- Requires the Department to include rate increases and decreases that apply to all risk classes when setting the premium rate for county coroner and medical examiner personnel.

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