

**WAC 296-17-31007 Owner/officer coverage and coverage for exempt employments.** (1) **As a business owner, can I buy workers' compensation insurance to cover myself or to cover workers who are exempt from mandatory coverage as defined in RCW 51.12.020, 51.12.035, or 51.12.170?**

Yes. Coverage is not required, but is available for sole proprietors, partners, qualifying corporate officers, qualifying members of a limited liability company, and for exempt employments defined in **RCW 51.12.020, 51.12.035, or 51.12.170**. We refer to this coverage as optional coverage. For owner optional coverage, you must meet certain conditions and requirements which are detailed on the *application for owner/officer optional coverage*. These requirements include:

- Completing an application for optional owner/officer coverage;
- Reporting owner/officer hours in the classification assigned to your business that is applicable to the work being performed by the owner/officer;
- Submitting a supplemental report which lists the name of each covered owner/officer; and
- Reporting four hundred eighty hours or actual hours worked each quarter for each covered owner/officer and in the applicable workers' compensation classification code.

(2) **When will my owner/officer coverage or coverage for exempt employments become effective?**

Your coverage will become effective the day after we receive your completed and signed application for optional coverage, unless you indicate that optional coverage should begin at a later date. Coverage cannot begin before the day after we receive your completed application.

(3) **How does cancellation work?** You may cancel your optional owner/officer coverage or elective coverage for exempt employments by notifying the department in writing. For sole proprietors, partners, and LLC partnership model, we will cancel your coverage either the same day we receive your written notice to cancel or on the future date you indicate. For corporations, LLC corporate model, or elective coverage for exempt employment, we will cancel the coverage thirty days from the date we receive your written request to cancel.

The department may cancel optional coverage if any required payments have not been made. Cancellation will become effective no later than thirty days from the date of the cancellation notice the department sent to the employer.

When your account balance is paid, if you want to reestablish owner/officer coverage, you must **submit a new application** for owner/optional coverage.

(4) **Where can I get an application for owner/officer coverage, or coverage for exempt employments?** There are separate applications for owner/officer optional coverage and coverage for exempt employments. To get these applications, go to [www.lni.wa.gov](http://www.lni.wa.gov), contact your local labor and industries office, or you can call the employer services division at 360-902-4817.

[Statutory Authority: RCW 51.04.020 and 51.16.035. WSR 20-20-108, § 296-17-31007, filed 10/6/20, effective 1/1/21; WSR 19-11-109, § 296-17-31007, filed 5/21/19, effective 7/1/19; WSR 17-11-120, § 296-17-31007, filed 5/23/17, effective 7/1/17; WSR 13-11-128, § 296-17-31007, filed 5/21/13, effective 7/1/13. Statutory Authority: RCW 51.04.020, 51.16.035, and 51.12.120. WSR 03-23-025, § 296-17-31007, filed 11/12/03, effective 1/1/04. Statutory Authority: RCW 51.04.020, 51.16.035 and 51.32.073. WSR 99-24-055, § 296-17-31007,

filed 11/29/99, effective 12/31/99. Statutory Authority: RCW 51.16.035. WSR 99-18-068, § 296-17-31007, filed 8/31/99, effective 10/1/99; WSR 98-18-042, § 296-17-31007, filed 8/28/98, effective 10/1/98.]