

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 using the table in WAC 296-17B-900.

(3) Hazard group index table.

Hazard Group Number	Hazard Index Number
1	.16
2	.28
3	.50
4	.61
5	.83
6	1.00
7	1.40
8	1.85
9	2.64

(4) Average hazard index table.

Hazard Group Number	Average Hazard Index Value is at Least:	But Less Than or Equal to:
1	0.000	0.219
2	0.220	0.389
3	0.390	0.554
4	0.555	0.719
5	0.720	0.914
6	0.915	1.199
7	1.200	1.624
8	1.625	2.244
9	2.245	2.640

Example:

- For your retrospective enrollment year, your group has exposure in risk classifications with Hazard Groups 3 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
3	\$1,000,000	.500	\$500,000
6	\$2,000,000	1.000	\$2,000,000
Total	\$3,000,000		\$2,500,000

- The Average Hazard Index value for your group is the total adjusted standard premiums divided by the total standard premiums or $\$2,500,000/\$3,000,000 = 0.833$ to three decimal places. This value 0.833 is in the range between 0.720 and 0.914.

- Therefore, your group will be assigned Hazard Group Number 5 during this annual adjustment.

[Statutory Authority: RCW 51.18.010(2), 51.04.020. WSR 17-12-020, § 296-17B-560, filed 5/30/17, effective 6/30/17. Statutory Authority: RCW 51.16.035, 51.16.100, 51.04.020(1), and 51.18.010. WSR 10-21-086, § 296-17B-560, filed 10/19/10, effective 11/19/10.]