

**WSR 13-07-008**  
**WITHDRAWAL OF PROPOSED RULES**  
**OFFICE OF**  
**INSURANCE COMMISSIONER**

[Filed March 7, 2013, 1:35 p.m.]

The insurance commissioner is withdrawing the CR-102 Proposed rule making for R 2013-01 Geographic rating area designation, published by the code reviser in WSR 13-05-077, February 19, 2013.

Individuals that have provided comments will be contacted as soon as the rule making resumes.

Mike Kreidler

**WSR 13-07-011**  
**PROPOSED RULES**  
**PUBLIC DISCLOSURE COMMISSION**

[Filed March 8, 2013, 8:46 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-084.

Title of Rule and Other Identifying Information: WAC 390-12-170 Public disclosure commission—Organization and structure—Officers—Terms and 390-24-160 Definition—Professional staff member.

Hearing Location(s): Public Disclosure Commission (PDC), Evergreen Plaza Building, 711 Capitol Way, Room 206, Olympia, WA 98504, on Thursday, April 25, 2013, at 9:30 a.m.

Date of Intended Adoption: April 25, 2013.

Submit Written Comments to: Lori Anderson, P.O. Box 40908, Olympia, e-mail lori.anderson@pdc.wa.gov, fax (360) 753-1112, by Tuesday, April 23, 2013.

Assistance for Persons with Disabilities: Contact Jana Greer by e-mail jana.greer@pdc.wa.gov, (360) 586-0544.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Proposed amendment to WAC 390-12-170 Public disclosure commission—Organization and structure—Officers—Terms, eliminates the office of secretary from the PDC's organizational structure.

Proposed amendments to WAC 390-24-160 Definition—Professional staff member, changes the date by which the PDC annually receives names of professional staff from the governor, senate, and house of representatives for the purpose of enforcing RCW 42.17A.700 and describes the procedures the PDC will follow to make the information available to the public.

Reasons Supporting Proposal: Proposed amendments to WAC 390-24-160, (1) allow more time for the lists to be compiled during the time when professional staff are being hired for the upcoming legislation [legislative] session, which will provide for a more complete list and equitable enforcement of RCW 42.17A.700 and (2) promotes transparency in government by allowing public access to the names of professional staff who are subject to RCW 42.17A.700.

Duties historically performed by the commissioner who was elected secretary have been delegated to staff and the

proposed amendment to WAC 390-12-170 removes the office of secretary from the PDC's organizational structure.

Statutory Authority for Adoption: RCW 42.17A.110.

Statute Being Implemented: RCW 42.17A.700 and 42.17A.705, 42.17A.100.

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: Proposed amendments should have no fiscal impact on the PDC or any other agency.

Name of Proponent: PDC, governmental.

Name of Agency Personnel Responsible for Drafting: Lori Anderson, 711 Capitol Way, Room 206, Olympia, WA 98504, (360) 664-2737; Implementation and Enforcement: Andrea McNamara Doyle, 711 Capitol Way, Room 206, Olympia, WA 98504, (360) 753-1111.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The implementation of these proposed rule amendments has minimal impact on small business. The PDC is not subject to the requirement to prepare a school district fiscal impact statement, per RCW 28A.305.135 and 34.05.320.

A cost-benefit analysis is not required under RCW 34.05.328. The PDC is not an agency listed in subsection (5)(a)(i) of RCW 34.05.328. Further, the PDC does not voluntarily make that section applicable to the adoption of these rules pursuant to subsection (5)(a)(ii), and to date, the joint administrative rules review committee has not made the section applicable to the adoption of these rules.

March 6, 2013

Lori Anderson

Communications and  
Training Officer

AMENDATORY SECTION (Amending WSR 93-19-034, filed 9/7/93, effective 10/8/93)

**WAC 390-12-170 Public disclosure commission—Organization and structure—Officers—Terms.** The officers of the public disclosure commission for administrative purposes shall be chair(;) and vice-chair (~~and secretary~~). Their terms shall be one year or until a successor is elected.

AMENDATORY SECTION (Amending WSR 12-03-002, filed 1/4/12, effective 2/4/12)

**WAC 390-24-160 Definition—Professional staff member.** (1) A professional staff member of the office of the governor and of the legislature includes all individuals retained on a full or part-time basis whose primary responsibilities require the exercise of judgment and discretion in policy related matters, including, but not limited to, such individuals who are involved in the development of legislation. A professional staff member does not include individuals retained primarily for clerical, ministerial, or internal accounting and bookkeeping purposes.

(2) ~~((To insure that the provisions of Referendum 36 and this rule are properly and fairly administered and to provide guidance to affected individuals, the commission, through its~~

~~chair and executive director, shall confer annually in December with the governor, the secretary of the senate and the clerk of the house regarding the specific professional staff members believed to fall within the criteria set forth in subsection (1) of this section. The executive director shall submit a report of those conferences to the commission at its December meeting for approval, disapproval or modification, or other determination. Each determination shall be based on an annual review of the positions and personnel to be retained by the affected governmental bodies during the ensuing year and shall constitute the commission's administrative interpretation of the term "professional staff member" in RCW 42.17A.705 (2) and (3) and its application to such positions and personnel.)~~ The commission needs a complete and accurate list of professional staff members of the governor, the senate, and the house of representatives, in order to properly and fairly administer the personal financial affairs disclosure requirements applicable to executive state officers as defined in RCW 42.17A.705. Each December, the executive director shall ask the governor, the secretary of the senate, and the clerk of the house to provide the commission by January 15th, the names and positions of the professional staff members meeting the criteria set forth in subsection (1) of this section, who are expected to be retained during the ensuing year, and to provide periodic updates throughout the year as necessary to reflect changes in professional staff. The executive director will present to the commission the lists of professional staff members received from the governor, senate, and house of representatives and post the lists on the commission's web site.

**WSR 13-07-012**

**PROPOSED RULES**

**PUBLIC DISCLOSURE COMMISSION**

[Filed March 8, 2013, 8:46 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-083.

Title of Rule and Other Identifying Information: WAC 390-19-030 Electronic filing—Reporting threshold.

Hearing Location(s): Public Disclosure Commission (PDC), Evergreen Plaza Building, 711 Capitol Way, Room 206, Olympia, WA 98504, on Thursday, April 25, 2013, at 9:30 a.m.

Date of Intended Adoption: April 25, 2013.

Submit Written Comments to: Lori Anderson, P.O. Box 40908, Olympia, e-mail lori.anderson@pdc.wa.gov, fax (360) 753-1112, by Tuesday, April 23, 2013.

Assistance for Persons with Disabilities: Contact Jana Greer by e-mail jana.greer@pdc.wa.gov, (360) 586-0544.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The PDC makes state and local campaign finance data publicly available through an online searchable database. The campaign finance data is received by the PDC from campaigns who are required to e-file upon spending or expecting to spend \$5,000. Currently, a returning candidate who was required to e-file in the past campaign is allowed to file on paper until the

election year or until the e-filing threshold is reached, whichever comes first. The proposed amendment will require a returning candidate who has not reached the e-filing threshold to electronically file campaign contribution and expenditure reports from the beginning of the campaign if the candidate reached the e-filing threshold in his or her last campaign and the candidate ran for the same office he or she seeks in the current campaign.

Reasons Supporting Proposal: Improves public access to campaign finance data and eliminates the need for campaign finance reports to be data entered by PDC staff.

Statutory Authority for Adoption: RCW 42.17A.110.

Statute Being Implemented: RCW 42.17A.245.

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: Proposed amendments should have no fiscal impact on the PDC or any other agency.

Name of Proponent: PDC, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Lori Anderson, 711 Capitol Way, Room 206, Olympia, WA 98504, (360) 664-2737; and Enforcement: Philip Stutzman, 711 Capitol Way, Room 206, Olympia, WA 98504, (360) 664-8853.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The implementation of these proposed rule amendments has minimal impact on small business. The PDC is not subject to the requirement to prepare a school district fiscal impact statement, per RCW 28A.305.135 and 34.05.320.

A cost-benefit analysis is not required under RCW 34.05.328. The PDC is not an agency listed in subsection (5)(a)(i) of RCW 34.05.328. Further, the PDC does not voluntarily make that section applicable to the adoption of these rules pursuant to subsection (5)(a)(ii), and to date, the joint administrative rules review committee has not made the section applicable to the adoption of these rules.

March 6, 2013

Lori Anderson

Communications and

Training Officer

AMENDATORY SECTION (Amending WSR 12-01-047, filed 12/14/11, effective 1/14/12)

**WAC 390-19-030 Electronic filing—Reporting threshold.** (1) The "electronic reporting threshold" that requires electronic filing of all contribution and expenditure reports is met when a candidate or political committee has expended \$5,000 or more in the preceding calendar year or expects to expend \$5,000 or more in the current calendar year.

(2) It is presumed that a filer "expects to expend" \$5,000 or more when any one of the following first occurs:

(a) A filer spends at least \$5,000;

(b) A filer is a candidate for the same office last sought (~~the filer's election is in the current calendar year,~~) and his or her campaign expenditures in the previous election for the same office were \$5,000 or more;

(c) A filer's expenditures meet or exceed \$1,250 on or before March 31 of the current calendar year;

(d) A filer's expenditures meet or exceed \$2,500 on or before June 30 of the current calendar year;

(e) A filer's expenditures meet or exceed \$3,750 on or before September 30 of the current calendar year; or

(f) A filer otherwise projects that \$5,000 or more will be spent during the current calendar year.

(3) The following expenditures or transactions are excluded from the electronic reporting threshold calculation:

(a) Expenditures made to pay outstanding debts carried forward from a previous election;

(b) Surplus funds disposed of in accordance with RCW 42.17A.430; and

(c) The value of in-kind contributions pledged or received within eight days of a special or general election.

(4) Candidate committees or political committees supporting or opposing ballot propositions that meet, exceed or expect to meet or exceed the electronic reporting threshold shall report electronically for the duration of the campaign.

**WSR 13-07-019**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**SOCIAL AND HEALTH SERVICES**  
(Economic Services Administration)  
[Filed March 12, 2013, 2:14 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 12-08-063.

Title of Rule and Other Identifying Information: The department is proposing to amend WAC 388-440-0001 Exceptions to rule, 388-440-0005 How am I informed of the decision on my request to the department for an exception to rule?, 388-452-0005 Do I have to be interviewed in order to get benefits?, and 388-460-0001 Who may be issued cash, child care, medical and Basic Food benefits?

Hearing Location(s): Office Building 2, DSHS Headquarters, 1115 Washington, Olympia, WA 98504 (public parking at 11th and Jefferson. A map is available at <http://www1.dshs.wa.gov/msa/rpau/RPAU-OB-2directions.html>), on April 23, 2013, at 10:00 a.m.

Date of Intended Adoption: Not earlier than April 24, 2013.

Submit Written Comments to: DSHS Rules Coordinator, P.O. Box 45850, Olympia, WA 98504, e-mail DSHS RPAURulesCoordinator@dshs.wa.gov, fax (360) 664-6185, by 5 p.m. on April 23, 2013.

Assistance for Persons with Disabilities: Contact Jennisha Johnson, DSHS rules consultant, by April 9, 2013, TTY (360) 664-6178 or (360) 664-6094 or by e-mail at jennisha.johnson@dshs.wa.gov.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is proposing to amend the above rules to remove medical language references from exception to rule, interview requirements and benefit issuances sections. These changes are nec-

essary as the health care authority (HCA) is creating new rules under Title 182 WAC.

Reasons Supporting Proposal: These changes are necessary to comply with 2E2SHB 1738, Laws of 2011, which designated HCA as the single state agency responsible for the administration and supervision of Washington's medicaid programs.

Statutory Authority for Adoption: RCW 74.04.050, 74.04.055, 74.04.500, 74.04.510, 74.08.090, and 74.08A.-120.

Statute Being Implemented: 2E2SHB 1738, Laws of 2011.

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

Name of Proponent: Department of social and health services, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Leslie Kozak, P.O. Box 45470, Olympia, WA 98504-5470, (360) 725-4589.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not have an economic impact on small businesses.

A cost-benefit analysis is not required under RCW 34.05.328. These amendments are exempt as allowed under RCW 34.05.328 (5)(b)(vii) which states in part, "(t)his section does not apply to ... rules of the department of social and health services relating only to client medical or financial eligibility and rules concerning liability for care of dependents."

March 11, 2013

Katherine I. Vasquez  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 04-05-010, filed 2/6/04, effective 3/8/04)

**WAC 388-440-0001 Exceptions to rule.** (1) The secretary of the department, or designee, authorizes department staff to request an exception to a rule in the Washington Administrative Code (WAC) for individual cases (~~(except as noted in subsection (5) of this section;)~~) when:

(a) The exception would not contradict a specific provision of federal law or state statute; and

(b) The client's situation differs from the majority; and

(c) It is in the interest of overall economy and the client's welfare; and

(d) It increases opportunities for the client to function effectively; or

(e) A client has an impairment or limitation that significantly interferes with the usual procedures required to determine eligibility and payment.

(2) The secretary or the secretary's designee makes the final decision on all requests for exceptions to a rule.

(3) Clients have no fair hearing rights as defined under chapter 388-02 WAC regarding exception to rule decisions by department staff.

(4) Clients who do not agree with a decision on an exception to rule may file a complaint according to chapter 388-426 WAC.

~~((5)) This section does not apply to requests for noncovered medical or dental services or related equipment. See WAC 388-501-0160.~~

AMENDATORY SECTION (Amending WSR 07-18-053, filed 8/31/07, effective 10/1/07)

**WAC 388-440-0005 How am I informed of the decision on my request to the department for an exception to rule?** (1) You will receive the decision in writing within ten days when department staff:

- (a) Decides not to file the exception to rule request; or
- (b) Decides to approve or deny the exception to rule request.

(2) The notice includes information on how to file a complaint as specified in chapter 388-426 WAC.

~~((3)) This section does not apply to notification requirements for exceptions to rules concerning noncovered medical or dental services or related equipment. See WAC 388-501-0160.~~

AMENDATORY SECTION (Amending WSR 10-01-165, filed 12/22/09, effective 1/22/10)

**WAC 388-452-0005 Do I have to be interviewed in order to get cash and Basic Food benefits?** (1) ~~((Unless you are applying for medical only,))~~ You or your authorized representative must have an interview with the department:

- (a) At initial certification; and
- (b) At least once every twelve months.

~~(2) ((An interview is not required if you are applying for or recertifying medical benefits only. If we deny your application for cash or Basic Food because you did not have an interview, we continue to process your request for medical benefits.~~

~~((3))~~ You will have just one interview even if you are applying for or are having a review for benefits from more than one program.

~~((4))~~ (3) We hold interviews either in person or over the phone.

~~((5))~~ (4) If we do not interview you on the same day that we receive your application, we will schedule an interview appointment for you or have you contact us by phone during our business hours to complete your interview.

~~((6))~~ (5) If we schedule an interview, we will set your appointment to allow you at least ten days after the interview to provide needed verification:

- (a) Before the end of the thirty-day processing period for applications; or
- (b) Before your certification period ends for eligibility reviews or recertifications.

~~((7))~~ (6) If you miss your first interview and ask for another interview within thirty days of the date you applied for benefits, we schedule a second interview or have you call us and complete the interview over the phone.

~~((8))~~ (7) If you must have an interview for benefits, you or someone who can give us the information we need about your AU must participate in the interview. You may ask any person you choose to help with your interview.

~~((9))~~ (8) For Basic Food only, your authorized representative as described in WAC 388-460-0005 may take your place during your interview.

AMENDATORY SECTION (Amending WSR 03-22-038, filed 10/28/03, effective 12/1/03)

**WAC 388-460-0001 Who may be issued cash, child care(~~medical~~) and Basic Food benefits?** (1) Cash and child care assistance may be issued in the name of the following persons:

- (a) A client who is the recipient of the benefits;
- (b) An ineligible parent or other relative getting benefits on behalf of an eligible child;
- (c) A person, facility, organization, institution or agency acting as a protective payee or representative payee for a client;
- (d) A guardian or agent acting on behalf of a client; or
- (e) A vendor of goods or services supplied to an eligible client.

(2) ~~((When medical coverage accompanies cash assistance, the medical identification (MAID) card for the assistance unit members is issued in the name of the person listed as payee for the cash benefit.~~

~~((3)) For other medical assistance units, the MAID card is issued to the person named as the head of the assistance unit.~~

~~((4))~~ Basic Food benefits are issued to the person named as the head of the assistance unit for Basic Food.

**WSR 13-07-021**  
**PROPOSED RULES**  
**SUPERINTENDENT OF**  
**PUBLIC INSTRUCTION**  
[Filed March 12, 2013, 4:29 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-108.

Title of Rule and Other Identifying Information: WAC 392-190-026 Recreational and athletic—Sex discrimination—Equal opportunities—Separate teams.

Hearing Location(s): Office of Superintendent of Public Instruction (OSPI), Billings Conference Room, 3rd Floor, 600 Washington Street S.W., Olympia, WA 98504, on April 29, 2013, at 10 a.m. to 11 a.m.

Date of Intended Adoption: April 30, 2013.

Submit Written Comments to: Yvonne Ryans, P.O. Box 47200, Olympia, WA 98504-7200, e-mail equity@k12.wa.us, fax (360) 664-2967, by April 29, 2013.

Assistance for Persons with Disabilities: Contact Wanda Griffin by April 3, 2013, TTY (360) 664-3631 or (360) 725-6132.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The agency proposes an amendment to WAC 392-190-026 in order to clarify rules for the athletic participation of students in grades K-6.

Reasons Supporting Proposal: As the rule is currently written, WAC 392-190-026 only allows schools to maintain separate sports teams for girls and boys in grades 7-12.

Sports teams in grades K-6 must be coeducational. This is inconsistent with RCW 28A.642.020 and Title IX, which allow schools to provide separate sports teams at any grade, provided that they do so with no disparities based on sex.

Statutory Authority for Adoption: RCW 28A.640.020 and 28A.642.020.

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

Name of Proponent: OSPI, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Yvonne Ryans, OSPI, P.O. Box 47200, Olympia, WA 98504-7200, (360) 725-6162.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not impose costs on businesses or industries.

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

March 12, 2013

Randy Dorn  
State Superintendent  
of Public Instruction

AMENDATORY SECTION (Amending WSR 11-09-024, filed 4/13/11, effective 5/14/11)

**WAC 392-190-026 Recreational and athletic—Sex discrimination—Equal opportunities—Separate teams.**

(1) Sports teams and programs offered by a school district must be equally open to participation by qualified members of both sexes. For sports and recreational activities offered for students (~~in grades 7 through 12~~), a school district may maintain separate teams for members of each sex if:

(a) It can clearly be shown, under the factual circumstances involved in the particular case, that the maintenance of separate teams for boys and girls truly constitutes the best method of providing both sexes, as a whole, with an equal opportunity to participate in the sports or games of their choice; and

(b) At the same time, a test of substantial equality between the two programs has been met.

(2) For the purpose of this section and WAC 392-190-050(2) "substantial equality" must be determined by considering factors including, but not limited to, the following:

(a) The relationship between the skill and compensation of coaching staffs;

(b) The size of their budgets;

(c) The quality of competition and game schedule;

(d) Uniforms;

(e) Equipment and facilities; and

(f) Sufficient numbers of participants to warrant separate teams.

**WSR 13-07-023**

**PROPOSED RULES**

**DEPARTMENT OF HEALTH**

[Filed March 12, 2013, 5:08 p.m.]

Original Notice.

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

Title of Rule and Other Identifying Information: WAC 246-809-730, creating a retired active license status for licensed mental health counselors, licensed marriage and family therapists, licensed advanced social workers, and licensed independent clinical social workers.

Hearing Location(s): Department of Health, Town Center 2, 111 Israel Road S.E., Room 145, Tumwater, WA 98501, on April 30, 2013, at 9:00 a.m.

Date of Intended Adoption: May 3, 2013.

Submit Written Comments to: Betty J. Moe, Department of Health, 111 Israel Road S.E., P.O. Box 47852, Olympia, WA 98504-7852, e-mail <http://www3.doh.wa.gov/policy/review/>, fax (360) 236-2901, by April 30, 2013.

Assistance for Persons with Disabilities: Contact Betty Moe by April 23, 2013, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: SSB 6328 (chapter 58, Laws of 2012) requires the department of health to create a retired active status for licensed mental health counselors, licensed marriage and family therapists, licensed advanced social workers, and licensed independent clinical social workers. The proposed rule creates the retired active status for these professions, which may improve access to care during emergent or intermittent circumstances, without compromising public safety. The retired active credential will have a reduced renewal fee.

Reasons Supporting Proposal: The rule will allow mental health counselors, marriage and family therapists, and social workers to obtain a retired active credential in order to meet the legislative intent to provide for credentialing of qualified retired individuals which may help increase access to care in emergent or intermittent situations. Fees for this status will be addressed in a separate rules process. The retired active credential will have a reduced renewal fee.

Statutory Authority for Adoption: RCW 18.130.250, chapter 18.225 RCW (SSB 6328 - 2012).

Statute Being Implemented: RCW 18.130.250, chapter 18.225 RCW (SSB 6328 - 2012).

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, Implementation and Enforcement: Betty Moe, Program Manager, 111 Israel Road S.E., Tumwater, WA 98501, (360) 236-4912.

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 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, Washington state law, the rules of other Washington state agencies, or

national consensus codes that generally establish industry standards.

March 12, 2013  
Mary C. Selecky  
Secretary

#### NEW SECTION

**WAC 246-809-730 Retired active credential.** (1) To obtain a retired active license a licensed counselor must comply with chapter 246-12 WAC, Part 5.

(2) A licensed counselor with a retired active license may practice no more than ninety days each year in Washington, or practice only in emergency circumstances such as earthquakes, floods, time of declared war or other state emergency; and

(3) A licensed counselor with a retired active license must renew yearly on their birthday, and must report thirty-six hours of continuing education as required under WAC 246-809-630 every two years.

#### **WSR 13-07-031**

##### **PROPOSED RULES**

#### **LIQUOR CONTROL BOARD**

[Filed March 13, 2013, 1:44 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 12-12-013.

Hearing Location(s): Washington State Liquor Control Board, Board Room, 3000 Pacific Avenue S.E., Lacey, WA 98504, on April 24, 2013, at 10:00 a.m.

Date of Intended Adoption: May 1, 2013.

Submit Written Comments to: Karen McCall, P.O. Box 43080, Olympia, WA 98504, e-mail rules@liq.wa.gov, fax (360) 664-9689.

Assistance for Persons with Disabilities: Contact Karen McCall by April 24, 2013, (360) 664-1631.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: RCW 66.24.630, created with the passing of Initiative 1183, require[s] clarification on the definition of "trade area" to determine if a location for a spirits retail license in a location less than ten thousand square feet of retail space meets the requirements for the license.

Reasons Supporting Proposal: Rules will clarify the definition of "trade area" for those applicants wanting to open a spirits retail licensed location under ten thousand square feet. The law did not define "trade area."

Statutory Authority for Adoption: RCW 66.08.030.

Statute Being Implemented: RCW 66.24.630.

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, Rules Coordinator, 3000 Pacific Avenue S.E., Olympia, WA 98504, (360) 664-1631; Implementation:

Alan Rathbun, Licensing Director, 3000 Pacific Avenue S.E., Olympia, WA 98504, (360) 664-1615; and Enforcement: Justin Nordhorn, 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 rule is to clarify RCW 66.24.630 (3)(c).

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

March 13, 2013

Sharon Foster

Chairman

#### NEW SECTION

**WAC 314-02-1071 What is "trade area"?** (1) "Trade area" as used in RCW 66.24.630 means an area where there is no spirits retail license within a twenty mile travel distance at the time of license application.

(2) The board will use the following criteria when determining to accept a spirits retail license application where the proposed premises location is less than ten thousand square feet of fully enclosed retail space:

(a) There is no spirits retail license holder within twenty travel miles at the time of license application; and

(b) The board will determine travel distance by a publicly available mapping tool which may be accessed on the board's web site. The web address of this site at the time of rule adoption is <http://wslcb.maps.arcgis.com/home/>.

(3) Former contract liquor stores and certificate holders by those who purchased a state store at auction are exempt from the ten thousand square foot minimum required by law. Should either choose to locate within an established trade area and they are in compliance with board relocation criteria, they may be issued a license.

#### **WSR 13-07-032**

##### **WITHDRAWAL OF PROPOSED RULES**

#### **LIQUOR CONTROL BOARD**

[Filed March 13, 2013, 1:44 p.m.]

WSR 13-030-149 [13-03-149] dated January 23, 2013, WAC 314-28-030 Changes to the distiller and craft distiller license and 314-28-050 What does a craft distillery license allow?

If you have any questions please contact Karen McCall, rules coordinator, at (360) 664-1631 or [kjm@liq.wa.gov](mailto:kjm@liq.wa.gov).

Sharon Foster

Board Chairman

**WSR 13-07-033**  
**WITHDRAWAL OF PROPOSED RULES**  
**LIQUOR CONTROL BOARD**

[Filed March 13, 2013, 1:44 p.m.]

WSR 13-030-151 [13-03-151] dated January 23, 2013, WAC 314-02-107 What are the requirements for a spirits retail license?

If you have any questions please contact Karen McCall, rules coordinator, at (360) 664-1631 or [kjm@liq.wa.gov](mailto:kjm@liq.wa.gov).

Sharon Foster  
 Board Chairman

**WSR 13-07-041**  
**PROPOSED RULES**  
**BOARD OF**  
**PILOTAGE COMMISSIONERS**

[Filed March 15, 2013, 1:02 p.m.]

Continuance of WSR 13-04-060.

Title of Rule and Other Identifying Information: WAC 363-116-078 Training program.

Hearing Location(s): 2901 Third Avenue, 5th Floor, Alki Conference Room, Seattle, WA 98121, on March 26, 2013, at 9:30 a.m.

Date of Intended Adoption: March 26, 2013.

Submit Written Comments to: Captain Harry Dudley, Chairman, 2901 Third Avenue, Suite 500, Seattle, WA 98121, e-mail [larsonp@wsdot.wa.gov](mailto:larsonp@wsdot.wa.gov), fax (206) 515-3906, by March 21, 2013.

Assistance for Persons with Disabilities: Contact Shawna Erickson by March 22, 2013, (206) 515-3647.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The purpose of this filing is to continue the March 14 public hearing to March 26, 2013, and extend the public comment period to March 21, 2013.

March 15, 2013  
 Peggy Larson  
 Executive Director

**WSR 13-07-053**  
**PROPOSED RULES**  
**OFFICE OF**  
**INSURANCE COMMISSIONER**

[Insurance Commissioner Matter No. R 2012-14—Filed March 19, 2013, 7:43 a.m.]

Supplemental Notice to WSR 12-23-071.

Preproposal statement of inquiry was filed as WSR 12-10-081.

Title of Rule and Other Identifying Information: Security breach notification.

Hearing Location(s): Insurance Commissioner's Office, TR 120, 5000 Capitol Boulevard, Tumwater, WA 98504-0255, on April 25, 2013, at 10:00 a.m.

Date of Intended Adoption: April 30, 2013.

Submit Written Comments to: Donna Dorris, P.O. Box 40258, Olympia, WA 98504-0258, e-mail [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov), fax (360) 586-3109, by April 25, 2013.

Assistance for Persons with Disabilities: Contact Lorie Villaflores by April 24, 2013, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule will identify the insurance commissioner as a party requiring a notification of security breaches in addition to affected consumers and customers. Information required to be included in the notification will comply with state and federal requirements.

Reasons Supporting Proposal: In 2009, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) was amended by the Health Information Technology for Economic and Clinical Health (HITECH) Act. On January 25, 2013, the final rule, Modifications to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act; other modifications to the HIPAA rules, was released by the Department of Health and Human Services. The federal rules are effective on March 26, 2013. The changes clarify the definition of security breach, risk assessment and notice requirements related to security breaches.

Statutory Authority for Adoption: RCW 48.02.060, 48.30.010, and 48.43.505. The Gramm-Leach Bliley Act, Pub. L. 102-106; Sec. 501(b), Sec. 505 (B)(2). The Health Information Technology for Economic and Clinical Health Act, Pub. L. 111-5, Sec. 13402. Modifications to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act; other modifications to the HIPAA rules, 45 C.F.R. Parts 160 and 164, January 25, 2013.

Statute Being Implemented: RCW 48.43.505.

Rule is necessary because of federal law, 45 C.F.R. Parts 160 and 164 (2013).

Name of Proponent: Mike Kreidler, insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Donna Dorris, P.O. Box 40258, Olympia, WA 98504-0258, (360) 725-7040; Implementation: John Hamje, P.O. Box 40255, Olympia, WA 90504-0255 [98504-0255], (360) 725-7262; and Enforcement: Carol Sureau, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7050.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The increased cost for insurance licensees to meet this proposed new requirement (notifying the commissioner in cases of a security breach) is significantly less than 0.3 percent of the average Washington revenue of the smallest domestic licensees. Therefore a small business economic impact statement is not required for this proposed rule.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Donna Dorris, P.O. Box 40258, Olympia, WA

98504-0258, phone (360) 725-7040, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

March 19, 2013  
Mike Kreidler  
Insurance Commissioner

AMENDATORY SECTION (Amending Matter No. R 2000-08, filed 1/9/01, effective 2/9/01)

**WAC 284-04-610 Violation.** A violation of this ((~~regulation~~)) chapter shall be deemed to be an unfair method of competition or an unfair or deceptive act and practice in this state.

NEW SECTION

**WAC 284-04-625 Security breach notification requirements.** (1) The commissioner defines failure to provide notice of security breaches in compliance with this section as an unfair practice for the following reasons:

(a) Many licensees fail or periodically fail to protect personal information and protected health information as defined in subsection (2)(a) and (b) of this section, resulting in security breaches affecting their customers or consumers.

(b) When a customer or consumer whose personal or protected health information has been breached seeks assistance from the commissioner, information about security breaches and what actions a licensee is taking to protect customers or consumers must be available to the commissioner.

(2) All licensees must notify the insurance commissioner about the number of customers or consumers potentially affected and what actions are being taken in writing within two business days after determining notification must be sent to consumers or customers in compliance with RCW 19.255-.010 and 45 C.F.R. 164 pertaining to:

(a) A breach of personal information as defined in RCW 19.255.010 (4) and (5) that seems reasonably likely to subject customers to a risk of criminal activity; or

(b) A breach of unsecured protected health information as defined in 45 C.F.R. 164.402 which compromises the security or privacy of the protected information for licensees subject to 45 C.F.R. 164.

(3) For breaches of protected health information, licensees subject to 45 C.F.R. 164 must comply with the regulations (45 C.F.R. 164.400 through 164.410) adopted by the U.S. Department of Health and Human Services (HHS) governing these requirements including:

(a) Notification requirements for a security breach as defined by 45 C.F.R. 164.402, meaning an acquisition, access, use, or disclosure of protected health information in a manner not permitted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule which compromises the security or privacy of the protected health information.

(b) Notifying individuals, and other entities described in 45 C.F.R. 164.404 through 164.410.

(c) Notifying affected entities without unreasonable delay and in no case later than sixty calendar days following the discovery of the breach.

(d) Notifying documents that contain:

(i) A brief description of what happened, including the date of the breach and the date of discovery of the breach, if known;

(ii) A description of the types of unsecured protected health information involved in the breach;

(iii) Any steps individuals should take to protect themselves from potential harm resulting from the breach;

(iv) A brief description of what the covered entity is doing to investigate the breach, to mitigate harm to individuals and to protect against any further breaches; and

(v) Contact information for individuals to ask questions or learn additional information.

**WSR 13-07-054**

**PROPOSED RULES**

**OFFICE OF**

**INSURANCE COMMISSIONER**

[Insurance Commissioner Matter No. R 2012-31—Filed March 19, 2013, 7:51 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 12-23-072.

Title of Rule and Other Identifying Information: Life settlements policyholder notice of options.

Hearing Location(s): Insurance Commissioner's Office, TR 120, 5000 Capitol Boulevard, Tumwater, WA 98504-0255, on April 23, 2013, at 10:00 a.m.

Date of Intended Adoption: April 24, 2013.

Submit Written Comments to: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, e-mail rulescoordinator@oic.wa.gov, fax (360) 586-3109, by April 22, 2013.

Assistance for Persons with Disabilities: Contact Lorie Villaflores by April 22, 2013, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule would ensure that policyholders of term life insurance policies receive notice as necessary when certain events occur that affect their policy interests. Amends existing rules to provide for a definition of "term" life insurance; that the notice of options to policyholders when their policy is about to lapse in the current rule applies to other than "term" life insurance policies; and sets forth a new notice of options to policyholders when their policy is about to lapse for "term" life insurance policies.

Reasons Supporting Proposal: RCW 48.102.100 provides that a notice be given to life insurance policyholders of options that they may have when certain events occur. The current WAC 284-97-910 sets forth this notice form. However, some of the situations listed in this form do not apply to term life insurance policies and therefore are creating confusion with consumers when they receive the notice.

Statutory Authority for Adoption: RCW 48.02.060, 48.102.100, and 48.102.170.

Statute Being Implemented: RCW 48.102.100.

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

Name of Proponent: Mike Kreidler, insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, (360) 725-7036; Implementation and Enforcement: Beth Berendt, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7117.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The net increased cost for life insurance companies to meet this proposed new requirement (changing the disclosure form provided to owners of individual life insurance) is significantly less than 0.3 percent of the Washington revenue of the smallest domestic life insurers. Therefore, a small business economic impact statement is not required for this proposed rule.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, phone (360) 725-7036, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

March 19, 2013  
Mike Kreidler  
Insurance Commissioner

AMENDATORY SECTION (Amending Matter No. R 2009-14, filed 1/27/10, effective 2/27/10)

**WAC 284-97-015 Definitions.** For purposes of this chapter:

(1) "Domestic life settlement provider" means a provider as defined in RCW 48.102.006(19) who if:

(a) A natural person either resides or has their principal place of business in this state, or both; or

(b) A legal entity that either has their principal place of business in this state, or is incorporated in or otherwise formed under the laws of the state of Washington, or both.

(2) "NAIC" means the National Association of Insurance Commissioners.

(3) "Nonresident or foreign life settlement provider" means a provider as defined in RCW 48.102.006(19) who if:

(a) A natural person does not either reside or have their principal place of business in this state, or both; or

(b) A legal entity who does not either have their principal place of business in this state, or is not incorporated in or otherwise formed under the laws of the state of Washington, or both.

(4) "SERFF" means the System for Electronic Rate and Form Filing. SERFF is a proprietary NAIC computer-based application that allows filers to create and submit rate, rule, and form filings electronically to the commissioner.

(5) "Solicitation" means, for example; proposing, negotiating, signing, or doing any act in furtherance of making or proposing to make a life settlement contract. Solicitation specifically includes advertising by mail, use of the print or electronic media, telephone, or any other method of presenting, distributing, issuing, circulating, or permitting to be issued or circulated any information or material in connection with a life settlement contract.

(6) "Term life insurance" means life insurance that provides a death benefit only if the insured dies during the period specified in the policy and coverage ceases without value if the insured survives until the end of the period.

AMENDATORY SECTION (Amending Matter No. R 2009-14, filed 1/27/10, effective 2/27/10)

**WAC 284-97-910 Insurance company disclosure form for other than term life insurance policies.** RCW 48.102.100 requires that insurers provide a notice to owners of individual life insurance policies at certain times. The following is the only document approved by the commissioner to give this notice, for life insurance policies other than term life insurance policies.

Important information about your life insurance policy  
from the State of Washington Office of the Insurance Commissioner

**Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the options best suited to your needs.**

You are encouraged to consider the following possible alternatives to [requesting a surrender of your life insurance policy, requesting accelerated death benefits under your life insurance policy, or letting your life insurance policy lapse\*]. These alternatives include, but are not limited to:

- **Accelerated Death Benefit:** Your policy may provide an early or accelerated discounted benefit payment if you have a terminal or chronic illness.
- **Cash Surrender:** Your policy may have a cash surrender value your life insurer would pay you if you cancel it.
- **Gift:** You may be able to gift your policy to your beneficiary, who would then assume responsibility for paying premiums.
- **Life Settlement:** You may be able to sell your life insurance policy to a third party for an amount that, under Washington law must be greater than the cash surrender value or accelerated death benefits under your policy. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your life insurance policy in force by paying the premiums directly or using your current policy values to pay the premiums.
- **Policy Changes:** You may be able to reduce or eliminate future premium payments by obtaining a paid-up policy, by reducing optional coverages, or through other options available from your life insurer.

Important information about your life insurance policy  
from the State of Washington Office of the Insurance Commissioner

- **Policy Loan:** You may be able to take out a loan from your life insurance company using the cash value of your policy as collateral. Loan proceeds can be used to pay the premiums or for other purposes.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

These options may or may not be available depending on your circumstances and the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, ~~((agent or broker))~~ insurance producer to determine your particular options.

If you're a Washington state resident and have questions about life insurance and your rights, contact the Office of the Insurance Commissioner at 1-800-562-6900, or go to [www.insurance.wa.gov](http://www.insurance.wa.gov). Ask questions if you don't understand your policy. Here's a list of commonly used terms:

**Accelerated death benefit:** A benefit allowing terminally ill or chronically ill life insurance policyholders to receive cash advances of all or part of the expected death benefit. The accelerated death benefit can be used for health care treatments or any other purpose.

**Cash surrender value:** This term is also called "cash value," "surrender value," and "policyholder's equity." The amount of cash due to a policyholder who requests the insurance company cancel their life insurance policy before it matures or death occurs.

**Expected death benefit:** The face amount of the policy, less any policy loan amounts, that the insurance company is expected to pay the beneficiaries named in the life insurance policy upon the death of the insured.

**Lapse:** Refers to a life insurance policy ending or expiring when a policyholder stops making premium payments.

**Life settlement:** Refers to a contract in which the policyholder sells his or her life insurance policy to a third party for a one-time cash payment which is greater than the cash surrender value, but less than the death benefit of the policy. A life settlement includes a viatical settlement, defined below.

**Policy loan:** A loan issued by an insurance company using the cash value of a person's life insurance policy as collateral.

**Viatical settlement:** An arrangement in which someone with a terminal illness sells his or her life insurance policy at an amount less than the death benefit. The ill person receives cash, and the buyer receives the full amount of the death benefit. This death benefit is payable once the former policyholder dies.

*This brochure is for informational purposes only and does not constitute an endorsement of any of the options described above.*

- \* A life insurance company should choose among these three phrases to state the appropriate phrase that fits the situation of the particular policy owner to whom the notice is being sent.

**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 284-97-925 Insurance company disclosure form for term life insurance policies.** RCW 48.102.100 requires that insurers provide a notice to owners of individual life insurance policies at certain times. The following is the only document approved by the commissioner to give this notice for term life insurance policies.

Important information about your term life insurance policy  
from the State of Washington Office of the Insurance Commissioner

**Life insurance is a critical part of a broader financial plan. There are options available to you rather than letting your policy lapse, and you have the right to shop around and seek advice from different financial advisers in order to find the option best suited to your needs.**

You are encouraged to consider the following possible alternatives to letting your term life insurance policy lapse. These alternatives include, but are not limited to:

- **Life Settlement:** You may be able to sell your term life insurance policy to a third party. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your term life insurance policy in force by paying the premiums directly.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

Important information about your term life insurance policy  
from the State of Washington Office of the Insurance Commissioner

These options may or may not be available depending on your circumstances and the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, insurance producer to determine your particular options.

If you're a Washington state resident and have questions about life insurance and your rights, contact the Office of the Insurance Commissioner at 1-800-562-6900, or go to [www.insurance.wa.gov](http://www.insurance.wa.gov). Ask questions if you don't understand your policy. Here's a list of commonly used terms:

**Expected death benefit:** The face amount of the policy, less any policy loan amounts, that the insurance company is expected to pay the beneficiaries named in the life insurance policy upon the death of the insured.

**Lapse:** Refers to a life insurance policy ending or expiring when a policyholder stops making premium payments.

**Life settlement:** Refers to a contract in which the policyholder sells his or her life insurance policy to a third party for a one-time cash payment. A life settlement includes a viatical settlement, defined below.

**Viatical settlement:** An arrangement in which someone with a terminal illness sells his or her life insurance policy at an amount less than the death benefit. The ill person receives cash, and the buyer receives the full amount of the death benefit. This death benefit is payable once the former policyholder dies.

*This brochure is for informational purposes only and does not constitute an endorsement of any of the options described above.*

**WSR 13-07-056**

**WITHDRAWAL OF PROPOSED RULES  
DEPARTMENT OF  
SOCIAL AND HEALTH SERVICES**

(By the Code Reviser's Office)

[Filed March 19, 2013, 8:27 a.m.]

WAC 388-845-0110, 388-845-0205, 388-845-0210, 388-845-0215, 388-845-0220, 388-845-0225, 388-845-0505, 388-845-0800, 388-845-0820, 388-845-1105, 388-845-1110 and 388-845-1150, proposed by the department of social and health services in WSR 12-17-036 appearing in issue 12-18 of the State Register, which was distributed on September 19, 2012, is withdrawn by the code reviser's office under RCW 34.05.335(3), since the proposal was not adopted within the one hundred eighty day period allowed by the statute.

Kerry S. Radcliff, Editor  
Washington State Register

**WSR 13-07-057**

**WITHDRAWAL OF PROPOSED RULES  
DEPARTMENT OF  
EARLY LEARNING**

(By the Code Reviser's Office)

[Filed March 19, 2013, 8:28 a.m.]

WAC 170-297-1040 and 170-297-5700, proposed by the department of early learning in WSR 12-18-079 appearing in issue 12-18 of the State Register, which was distributed on September 19, 2012, is withdrawn by the code reviser's office under RCW 34.05.335(3), since the proposal was not adopted

within the one hundred eighty day period allowed by the statute.

Kerry S. Radcliff, Editor  
Washington State Register

**WSR 13-07-058**

**PROPOSED RULES  
DEPARTMENT OF  
LABOR AND INDUSTRIES**

[Filed March 19, 2013, 8:53 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-02-093.

Title of Rule and Other Identifying Information: Drug rule, the department is proposing to create, amend and delete rules related to the use and payment for drugs prescribed for injured and ill workers.

Hearing Location(s): The Department of Labor and Industries (L&I), Tukwila Service Location, 12806 Gateway Drive South, Tukwila, WA 98168, on April 23, 2013, at 1:00 p.m.

Date of Intended Adoption: May 28, 2013.

Submit Written Comments to: Jami Lifka, P.O. Box 44321, Olympia, WA 98501, or e-mail [JamiLifka@Lni.wa.gov](mailto:JamiLifka@Lni.wa.gov) or fax (360) 902-6315, written comments must be received no later than 5 p.m., April 23, 2013.

Assistance for Persons with Disabilities: Contact TTY at 711, (360) 902-4941.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The purpose of this rule making is to ensure safe, appropriate and effective drug therapy designed to improve clinical outcomes and support successful return to work.

The proposed rule language updates the coverage of and payment for prescription drugs and describes specific authorization requirements for the payment of opioids. Authorization requirements are based on best practices for prescribing opioids and will lead to safe and effective treatment for injured and ill workers.

Reasons Supporting Proposal: Washington is among those states with the highest rate of prescription opioid related deaths in the United States. This now exceeds both motor vehicle accidents and firearms as the leading cause of injury related deaths.

Statutory Authority for Adoption: RCW 51.04.020 and 51.04.030.

Statute Being Implemented: RCW 51.04.030.

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: Other professional groups and federal and state regulatory agencies have adopted guidelines and rules related to this topic.

This rule-making process was initiated, in part, by ESHB 2876 (chapter 209, Laws of 2010) that directed the department of health to adopt new rules on chronic, noncancer pain management. L&I, in collaboration with its industrial insurance medical advisory committee, has adopted a guideline for prescribing opioids to treat pain in injured workers. The guideline supports the best practices embodied in the DOH pain management rules, the Washington State Agency Medical Directors' Group guidelines, and other federal agencies' recommendations such as the Food and Drug Administration and the Centers for Disease Control and Prevention.

Name of Proponent: L&I, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Jaymie Mai, PharmD, Pharmacy Manager, Office of the Medical Director, (360) 902-6792; and Enforcement: Vickie Kennedy, Interim Assistant Director, Insurance Services, (360) 902-4997.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed language does not disproportionately impact small businesses. There is no more than a minor cost to businesses in general.

A cost-benefit analysis is not required under RCW 34.05.328. The proposed rule language does not impose more than a minor cost on businesses.

March 19, 2013

Joel Sacks

Director

AMENDATORY SECTION (Amending WSR 00-01-040, filed 12/7/99, effective 1/20/00)

**WAC 296-20-03010 What are the general principles the department uses to determine ~~((coverage on))~~ drug(~~s and medications~~) coverage?** ~~((The department or self-insurer pays for drugs that are deemed proper and necessary to treat the industrial injury or occupational disease accepted under the claim. In general, the department will consider coverage for all FDA approved drugs for stated indications. The department or self-insurer may pay for prescriptions for off~~

~~label indications when used within current medical standards and prescribed in compliance with published contraindications, precautions and warnings.))~~ In general, the department evaluates data on safety, health outcomes and cost-effectiveness for coverage. The department or self-insurer considers payment for drugs, including biologics and controlled substances, when:

• The drug is used to treat the industrial injury or occupational disease accepted under the claim; and

• The drug is prescribed consistent with the department's rules, guidelines and coverage decisions, and either:

– The drug is approved by the Food and Drug Administration for that condition and prescribed in accordance with labeling, or is licensed by a regulatory entity similar to the Food and Drug Administration for workers who reside outside the United States; or

– If the drug is prescribed off-label, the use is supported by published scientific evidence of safety and effectiveness from high quality randomized trials (see WAC 296-20-02704). Off-label is defined as use of a drug for an indication which has not received Food and Drug Administration approval or is otherwise not consistent with the drug labeling.

AMENDATORY SECTION (Amending WSR 07-17-167, filed 8/22/07, effective 9/22/07)

**WAC 296-20-03011 What general limitations are in place for ~~((medications))~~ drugs?** (1) **Amount dispensed.** The department or self-insurer will pay for no more than a thirty-day supply of a ~~((medication))~~ drug dispensed at any one time except as stated in subsection (6) of this section.

(2) **Over-the-counter drugs.** Prescriptions for over-the-counter items may be paid. Special compounding fees for over-the-counter items are not payable.

(3) **Generic drugs.** Prescriptions are to be written for generic drugs unless the ~~((attending physician))~~ provider specifically indicates that substitution is not permitted. For example: The ~~((patient))~~ worker cannot tolerate substitution. Pharmacists are instructed to fill with generic drugs unless the ~~((attending physician))~~ provider specifically indicates substitution is not permitted.

(4) **Evidence-based prescription drug program.** In accordance with RCW 70.14.050, the department in cooperation with other state agencies may develop a preferred drug list. Any pharmacist filling a prescription under state purchased health care programs as defined in RCW 41.05.011(2) shall substitute, where identified, a preferred drug for any nonpreferred drug in a given therapeutic class, unless the endorsing practitioner has indicated on the prescription that the nonpreferred drug must be dispensed as written, or the prescription is for a refill of an antipsychotic, antidepressant, chemotherapy, antiretroviral, or immunosuppressive drug (see RCW 69.41.190), or for the refill of an immunomodulator/antiviral treatment for hepatitis C for which an established, fixed duration of therapy is prescribed for at least twenty-four weeks but no more than forty-eight weeks or the nonendorsing practitioner has received prior authorization from the department to fill the prescription as written, in which case the pharmacist shall dispense the prescribed non-preferred drug.

**(5) Prescriptions for unrelated medical conditions.**

The department or self-insurer may consider temporary coverage of prescriptions for conditions not related to the industrial injury when such conditions are retarding recovery. Any treatment for such conditions must have prior authorization per WAC 296-20-055. This would apply to any prescription for such conditions even when the endorsing practitioner indicates "dispense as written."

**(6) Pension cases.** ~~((One))~~ When the worker is placed on a pension, the department or self-insurer may pay, at the sole discretion of the supervisor of industrial insurance, for only those drugs ((and medications)) authorized for continued medical treatment ((for)) of previously accepted conditions ((previously accepted by the department. Authorization for continued medical and surgical treatment is at the sole discretion of the supervisor of industrial insurance and)):

(a) Coverage must be authorized before the treatment is rendered. ((In such pension cases, the department or self-insurer cannot pay for scheduled drugs))

(b) Controlled substances used to treat continuing pain resulting from an industrial injury or occupational disease are not payable.

(c) In these cases, up to a ninety-day supply of the drug is payable when:

(i) Coverage has been authorized; and

(ii) The drug is not a controlled substance; and

(iii) The drug is obtained through a designated provider.

AMENDATORY SECTION (Amending WSR 04-08-040, filed 3/30/04, effective 5/1/04)

**WAC 296-20-03012 Where can I find the department's outpatient drug ((and medication)) coverage decisions?** The department's outpatient drug ((and medication)) coverage decisions are contained in the department's formulary, as developed by the department, in collaboration with the Washington state pharmacy and therapeutics committee and the ~~((Washington State Medical Association's industrial insurance and rehabilitation))~~ industrial insurance medical advisory committee.

In the formulary, drugs are listed in the following categories:

- **Allowed**

Drugs used routinely for treating accepted industrial injuries and occupational ~~((illnesses))~~ diseases, including those on the preferred drug list.

Example: ~~((Non-scheduled drugs and other medications))~~ Preferred nonsteroidal anti-inflammatory drugs during the acute phase of treatment for the industrial injury ~~((or condition)).~~

- **Prior authorization required**

Drugs used routinely to treat conditions not normally accepted as work related injuries, drugs which are used to treat unrelated conditions retarding recovery from the accepted condition on the claim, and drugs for which less expensive alternatives exist.

~~((For))~~ Example: All drugs to treat hypertension require prior authorization because hypertension is not normally an accepted industrial condition. In addition, nonendorsing

practitioners must obtain prior authorization for a nonpreferred drug when the category of drugs has a preferred drug.

- **Denied**

Drugs not normally used for treating industrial injuries or not normally dispensed by outpatient pharmacies.

Example: Most hormones, most nutritional supplements.

AMENDATORY SECTION (Amending WSR 00-01-040, filed 12/7/99, effective 1/20/00)

**WAC 296-20-03015 What steps may the department or self-insurer take when concerned about the amount or appropriateness of drugs ((and medications)) prescribed ~~((to))~~ for the injured worker?** (1) The department or self-insurer may take any or all of the following steps when concerned about the amount or appropriateness of drugs the ~~((patient))~~ worker is receiving:

- Notify the ~~((attending physician))~~ provider of concerns regarding the ~~((medications))~~ drugs such as ~~((drug))~~ interactions, adverse reactions, or prescriptions by other providers;

- Notify the provider when opioid prescribing is not in compliance with the department of health's pain management rules, L&I's rules, the agency medical directors' group's inter-agency guideline on opioid dosing for chronic noncancer pain or L&I's guideline for prescribing opioids to treat pain in injured workers;

- Require that the ~~((attending physician))~~ provider send a treatment plan addressing the drug concerns;

- Request a consultation from an appropriate specialist;

- Request that the ~~((attending physician))~~ provider consider reducing the ~~((prescription,))~~ dose or discontinuing the drug and provide information on chemical dependency programs, if indicated;

- Limit the payment for drugs ~~((on a claim))~~ to one prescribing ~~((doctor))~~ provider.

(2) If the ~~((attending physician))~~ provider or worker does not comply with these requests, ~~((or if the probability of imminent harm to the worker is high,))~~ the department or self-insurer may discontinue payment for the drug after adequate prior notification has been given to the worker ~~((, pharmacy))~~ and ~~((physician))~~ the provider.

(3) ~~((Physician failure to reduce or terminate prescription of controlled substances, habit forming or addicting medications, or dependency inducing medications, after department or self-insurer request to do so for an injured worker may result in a transfer of the worker to another physician of the worker's choice. (See WAC 296-20-065.))~~ If the probability of imminent harm to the worker is high, as determined by the department's medical director, associate medical director or medical consultants, the department or self-insurer may require that the worker transfer care to another network provider.

(4) Other corrective actions may be taken in accordance with WAC ~~((296-20-015, Who may treat))~~ 296-20-01100, Risk of harm.

NEW SECTION

**WAC 296-20-03030 Definitions associated with opioid authorization and payment.** (1) Acute pain - Self-limiting pain that lasts from a few days to up to six weeks following an industrial injury or surgery.

(2) Catastrophic injury - A severe injury from which recovery of physical function is not expected, such as a spinal cord injury.

(3) Clinically meaningful improvement in function - Improvement in function of at least thirty percent as compared to baseline or in response to a dose change. Function can be measured using the two item graded chronic pain scale or other validated tools such as those referenced in the most current agency medical directors' group's interagency guideline on opioid dosing for chronic noncancer pain.

(4) Clinically meaningful improvement in pain - Improvement in pain intensity of at least thirty percent as compared to baseline or in response to a dose change. Pain can be measured using the two item graded chronic pain scale or other validated tools such as those referenced in the most current agency medical directors' group's interagency guideline on opioid dosing for chronic noncancer pain.

(5) Chronic noncancer pain - Continuous or intermittent pain arising from a noncancerous condition, injury or surgery and lasting longer than three months.

(6) Morphine equivalent dose - Conversion of various opioids to an equivalent morphine dose by using the most current recognized conversion tables, such as the agency medical directors' group's dose calculator.

(7) Step 1 taper - Discontinuing opioids via a gradual dose reduction of approximately ten percent of the original dose per week in a community care setting.

(8) Step 2 taper - Detoxification through a licensed chemical dependency center and/or discontinuing opioids through a structured intensive multidisciplinary program (see WAC 296-20-12055 through 296-20-12095).

NEW SECTION

**WAC 296-20-03035 Checking the prescription monitoring program data base.** Checking the prescription monitoring program is recommended before prescribing opioids for new injuries. Providers must check the prescription monitoring program data base, if available, and document before prescribing opioids in the subacute phase and repeat during chronic opioid therapy at intervals according to the worker's risk category as described in the agency medical directors' group's guideline.

Any provider performing a preoperative evaluation for elective surgery in workers on chronic opioid therapy should also check the prescription monitoring program data base and document as part of a treatment plan for post-surgical pain management.

NEW SECTION

**WAC 296-20-03040 Administering urine drug testing.** Providers must administer a urine drug test and document results during the subacute phase and repeat at intervals according to the worker's risk category as described in the

agency medical directors' group's guideline if prescribing chronic opioid therapy. The department or self-insurer may deny additional payment for urine drug testing when opioid coverage is denied.

NEW SECTION

**WAC 296-20-03045 Tracking function and pain.** When prescribing opioids, providers must use validated instruments to track and document the worker's function and pain status during the acute and subacute phase and routinely, at least every ninety days, to monitor the worker's status and response to chronic opioid therapy.

NEW SECTION

**WAC 296-20-03050 Preinjury opioid use.** The department or self-insurer is not responsible for the continuation of preinjury opioid use or any adverse outcomes which may result. For workers with preinjury chronic opioid therapy, payment for opioids beyond the acute phase will not be authorized.

NEW SECTION

**WAC 296-20-03055 Opioid authorization requirement for the acute phase (0-6 weeks).** The department or self-insurer may cover opioids for up to six weeks when prescribed to treat pain from the acute industrial injury or after surgery. Providers must obtain and document the worker's baseline function and pain measurements during the acute phase if planning to prescribe opioids beyond this phase.

NEW SECTION

**WAC 296-20-03056 Opioid authorization requirement for the subacute phase (6-12 weeks).** Before the department or self-insurer authorizes payment for opioids beyond the acute phase, the provider must perform and document the following:

- Verify that the worker had clinically meaningful improvement in function and pain with the use of opioids in the acute phase.
- If indicated, use a validated instrument to screen the worker for comorbid psychiatric conditions (e.g., depression, anxiety, or post traumatic stress disorder) which may impact the response to opioid treatment.
- Verify that the worker has no contraindication to the use of opioids.
- Access the state's prescription monitoring program data base, if available, to ensure that the controlled substance history is consistent with the prescribing record and the worker's report.
- Use a validated screening instrument to verify the absence of a current substance use disorder (excluding nicotine) or a history of opioid use disorder.
- Administer a baseline urine drug test to verify the absence of cocaine, amphetamines, alcohol, and nonprescribed opioids.
- Verify that the worker has no evidence of or is not at high risk for serious adverse outcomes from opioid use.

NEW SECTION

**WAC 296-20-03057 Opioid authorization requirement for the chronic phase (> 12 weeks).** Before the department or self-insurer authorizes payment for opioids beyond the subacute phase, the provider must perform, verify, and document the following best practices:

- Clinically meaningful improvement in function has been established with opioid use in the acute or subacute phase. If the opioid dose is increased, clinically meaningful improvement in function must be demonstrated in response to the dose change. Effective chronic opioid therapy should result in improved work capacity and/or the ability to progress in vocational retraining; and
- Reasonable alternatives to opioids have been tried and have failed; and
- The worker and the provider have signed a pain treatment agreement; and
- A consultation with a pain management specialist must take place before the worker's dose is increased above 120mg/d morphine equivalent or consistent with exceptions in the department of health's pain management rules. Additional appropriate consultations are recommended if the worker has a comorbid substance use or poorly controlled mental health disorder; and
- The worker has no contraindication to the use of opioids including, but not limited to, current substance use disorders (excluding nicotine) or history of opioid use disorder; and
- The worker has no evidence of or is not at high risk for having serious adverse outcomes from opioid use; and
- The worker has no pattern of recurrent (more than one) aberrant behavior identified by the prescription monitoring program data base or urine drug testing; and
- A time-limited treatment plan that demonstrates how chronic opioid therapy is likely to improve the worker's work capacity and/or the ability to progress in vocational retraining (e.g., work hardening, vocational services).

NEW SECTION

**WAC 296-20-03058 Opioid authorization requirement for ongoing chronic opioid therapy.** Before the department or self-insurer authorizes continued payment for chronic opioid therapy, the provider must routinely, at least every ninety days or more frequently, according to the worker's risk, review the effects of opioids to determine whether therapy should continue and document the following best practices:

- Clinically meaningful improvement in function or pain interference with function score of  $\leq 4$  is maintained with stable dosing. See WAC 296-20-03030 for the definition of clinically meaningful improvement in function. If opioid dose is increased, clinically meaningful improvement in function must be demonstrated in response to the dose change; and
- A current signed pain treatment agreement; and
- The worker has no contraindication to the use of opioids including, but not limited to, current substance use disorders (excluding nicotine) or a history of opioid use disorder; and

- The worker has no evidence of or is not at high risk for serious adverse outcomes from opioid use; and

- A consultation with a pain management specialist must take place before the worker's dose is increased above 120mg/d morphine equivalent dose or consistent with exceptions in the department of health pain management rules. Additional appropriate consultations are recommended if the worker has a comorbid substance use or poorly controlled mental health disorder; and

- The worker has no pattern of recurrent (more than one) aberrant behavior identified by the prescription monitoring program data base or urine drug testing.

Workers receiving chronic opioid therapy should be managed by a single prescribing provider. If the prescribing provider is unavailable, then refills should be addressed by the covering provider and allowed on a limited basis only. See WAC 296-20-03060, Episodic care for pain, regarding unscheduled refills from emergency departments or urgent care facilities.

NEW SECTION

**WAC 296-20-03059 Opioid authorization requirement for catastrophic injuries.** Before the department or self-insurer authorizes payment for chronic opioid therapy for a catastrophic injury (see WAC 296-20-03030 for the definition of catastrophic injury), the provider must perform, verify, and document the following:

- A current signed pain treatment agreement; and
- A consultation with a pain management specialist must take place before the worker's dose is increased above 120mg/d morphine equivalent dose or consistent with exceptions in the department of health pain management rules; and
- The worker has no contraindication to the use of opioids including, but not limited to, current substance use disorders (excluding nicotine) or a history of opioid use disorder; and
- The dose is stable with no evidence of or is not at high risk for serious adverse outcomes from opioid use; and
- The worker has no pattern of recurrent (more than one) aberrant behavior identified by the prescription monitoring program data base or urine drug testing.

Catastrophic injuries are exempt from the requirement of clinically meaningful improvement in function with opioid use.

NEW SECTION

**WAC 296-20-03060 Episodic care for pain.** The department or self-insurer may pay for one pain-related emergency or urgent care visit related to the accepted condition for a worker already receiving opioid therapy, but payment for additional emergency or urgent care visits may be denied.

Workers receiving opioid therapy should be managed by a single prescribing provider.

NEW SECTION

**WAC 296-20-03065 Managing surgical pain in workers on opioid therapy.** The provider must taper the worker's

total opioids to the preoperative dose or lower by six weeks after surgery. Upon request, and depending on the complexity of the surgery, the department or self-insurer may authorize an additional six weeks for the provider to taper opioids to the preoperative or lower dose.

NEW SECTION

**WAC 296-20-03070 When opioid prescribing is not proper and necessary care.** Continuing to prescribe opioids in the absence of clinically meaningful improvement in function or after the development of a severe adverse outcome, or prescribing opioids in escalating doses to the point of the worker developing opioid use disorder is not considered proper and necessary care. Further coverage of opioids under these circumstances is not payable.

NEW SECTION

**WAC 296-20-03075 When to discontinue opioids.** The prescriber must discontinue opioids under the following circumstances:

- The worker or attending provider requests opioid wean; or
- The worker is maintained on opioids for at least three months and there is no sustained clinically meaningful improvement in function, as measured by validated instruments; or
- The worker's risk from continued treatment outweighs the benefit; or
- The worker has experienced an opioid overdose event related to aberrant behavior or substance use disorder (except nicotine) or a prescribing pattern that is not in compliance with the department of health's pain management rules, L&I's rules, the agency medical directors' group's guideline or L&I's guideline for prescribing opioids to treat pain in injured workers or the worker has experienced any other severe adverse outcome; or
- There is a pattern of recurrent (more than one) aberrant behaviors (inconsistent urine drug test result, lost prescriptions, multiple requests for early refills, multiple prescribers, unauthorized dose escalation, apparent intoxication, etc.); or
- Use of opioids is not in compliance with the department of health's pain management rules, L&I's rules, the agency medical directors' group's guideline or L&I's guideline for prescribing opioids to treat pain in injured workers.

Under these circumstances, the department or self-insurer may pay for an opioid wean or detoxification to facil-

itate discontinuation of opioids (see WAC 296-20-03080, Weaning or detoxification). However, continued chronic opioid therapy is not payable.

NEW SECTION

**WAC 296-20-03080 Weaning or detoxification.** The department or self-insurer may pay for adjuvant treatment to aid with the weaning (see WAC 296-20-03030 for the definition of step 1 and 2 taper) or detoxification process, except for ultra-rapid detoxification (e.g., detoxification within three days using antagonist drugs with or without sedation). The department or self-insurer is not responsible for any adverse outcomes resulting from continued opioid use after completion of a detoxification program.

NEW SECTION

**WAC 296-20-03085 Addiction treatment.** The department or self-insurer may authorize payment for addiction management through a licensed chemical dependency treatment center for up to six months as an aid to recovery if the following conditions are met:

- The worker has failed steps 1 and 2 taper (see WAC 296-20-03030 for the definition of step 1 and 2 taper); and
- The worker is diagnosed with opioid use disorder and this condition is identified as a barrier to recovery; and
- The provider has documented how time-limited treatment of this condition will allow significantly improved work capacity and/or the ability to progress in vocational retraining; and
- The provider has submitted a time-limited treatment plan.

Payment for addiction treatment is limited to six months per worker.

AMENDATORY SECTION (Amending WSR 08-04-095, filed 2/5/08, effective 2/22/08)

**WAC 296-20-06101 What reports are health care providers required to submit to the insurer?** The department or self-insurer requires different kinds of information at various stages of a claim in order to approve treatment, time loss compensation, and treatment bills. ~~((The department or self-insurer may request the following reports at specified points in the claim.))~~ The information provided in these reports is needed to adequately manage industrial insurance claims.

<i>Report</i>	<i>Due/Needed by Insurer</i>	<i>What Information Should Be Included In the Report?</i>	<i>Special Notes</i>
<b>Report of Industrial Injury or Occupational Disease</b> (form)	Immediately - <u>W</u> ithin five days of first visit.	See form	Only MD, DO, DC, ND, DPM, DDS, ARNP, PA, and OD may sign and be paid for completion of this form.
<b>Self-Insurance: Provider's Initial Report</b> (form)		If additional space is needed, please attach the information to the application. The claim number should be at the top of the page.	

<i>Report</i>	<i>Due/Needed by Insurer</i>	<i>What Information Should Be Included In the Report?</i>	<i>Special Notes</i>
<p><b>Sixty Day</b> (narrative)  <b>Purpose:</b> Support and document the need for continued care when conservative (non-surgical) treatment is to continue beyond sixty days</p>	<p>Every sixty days when only conservative (nonsurgical) care has been provided.</p>	<p>(1) The <b>conditions diagnosed</b>, including ICD-9-CM codes and the subjective complaints and objective findings.</p>	<p>Providers may submit legible comprehensive chart notes in lieu of sixty day reports <b>PROVIDED</b> the chart notes include all the information required as noted in the "What Information Should Be Included?" column.</p>
		<p>(2) The <b>relationship of diagnoses</b>, if any, to the industrial injury or exposure.</p>	<p><b>However</b>, office notes are not acceptable in lieu of requested narrative reports and providers may not bill for the report if chart notes are submitted in place of the report.</p>
		<p>(3) Outline of <b>proposed treatment program</b>, its length, components and expected prognosis including an <b>estimate of when treatment should be concluded</b> and condition(s) stable. An <b>estimated return to work date</b> and the <b>probability</b>, if any, of <b>permanent partial disability</b> resulting from the industrial condition.</p>	<p><del>((Please see WAC 296-20-03021 and 296-20-03022 for documentation requirements for those workers receiving opioids to treat chronic non-cancer pain.))</del></p>
		<p>(4) <b>Current medications</b>, including dosage and amount prescribed. With repeated prescriptions, include the plan and need for continuing medication.</p>	<p>Providers must <b>include</b> their <b>name, address and date</b> on all chart notes submitted.</p>
		<p>(5) If the worker has not returned to work, <b>indicate whether a vocational assessment will be necessary</b> to evaluate the worker's ability to return to work and why.</p>	
		<p>(6) If the worker has not returned to work, a <b>doctor's estimate of physical capacities</b> should be included.</p>	
		<p>(7) <b>Response to any specific questions</b> asked by the insurer or vocational counselor.</p>	
<p><b><u>Opioid Authorization Requirement</u></b></p>	<p><u>Opioids in subacute phase - Six weeks from the date of injury or surgery.</u></p>	<p><u>Please see WAC 296-20-03056 through 296-20-03059 for documentation requirements for those workers receiving opioids.</u></p>	

<i>Report</i>	<i>Due/Needed by Insurer</i>	<i>What Information Should Be Included In the Report?</i>	<i>Special Notes</i>
	<p><u>Opioids in chronic phase - Twelve weeks from the date of injury or surgery.</u></p> <p><u>Opioids for ongoing chronic therapy - Every ninety days.</u></p>		
<b>Special Reports/Follow-up Reports</b> (narrative)	As soon as possible following request by the department/insurer.	<b>Response to any specific questions</b> asked by the insurer or vocational counselor.	"Special reports" are payable only when requested by the insurer.
<b>Consultation Examination Reports</b> (narrative)	At one hundred twenty days if only conservative (nonsurgical) care has been provided.	(1) Detailed history.	If the injured/ill worker had been seen by the consulting doctor within the past three years for the same condition, the consultation will be considered a follow-up office visit, not consultation.
<b>Purpose:</b> Obtain an objective evaluation of the need for ongoing conservative medical management of the worker.		(2) <b>Comparative history</b> between the history provided by the attending or treating provider and injured worker.	
		(3) Detailed physical examination.	
The attending or treating provider may choose the consultant.		(4) <b>Condition(s) diagnosed</b> including ICD-9-CM codes, subjective complaints and objective findings.	A copy of the consultation report must be submitted to both the attending or treating provider and the department/insurer.
		(5) Outline of <b>proposed treatment program:</b> Its length, components, expected prognosis including when treatment should be concluded and condition(s) stable.	
		(6) <b>Expected degree of recovery</b> from the industrial condition.	
		(7) <b>Probability of returning to regular work</b> or modified work and an <b>estimated</b> return to work <b>date.</b>	
		(8) <b>Probability</b> , if any, of <b>permanent partial disability</b> resulting from the industrial condition.	
		(9) A doctor's <b>estimate of physical capacities</b> should be included if the worker has not returned to work.	

<i>Report</i>	<i>Due/Needed by Insurer</i>	<i>What Information Should Be Included In the Report?</i>	<i>Special Notes</i>
		(10) <b>Reports</b> of necessary, reasonable <b>X ray</b> and <b>laboratory</b> studies to establish or confirm diagnosis when indicated.	
<b>Attending Provider Review of IME Report</b> (form)  <b>Purpose:</b> Obtain the attending provider's opinion about the accuracy of the diagnoses and information provided based on the IME.	As soon as possible following request by the department/insurer.	Agreement or disagreement with IME findings. If you disagree, provide objective/subjective findings to support your opinion.	Payable only to the attending provider upon request of the department/insurer. PAs can concur with treatment recommendations but not PPD ratings.
<b>Loss of Earning Power</b> (form) <b>Purpose:</b> Certify the loss of earning power is due to the industrial injury/occupational disease.	As soon as possible after receipt of the form.	See form	Payable only to the attending or treating provider.
<b>Application to Reopen Claim Due to Worsening of Condition</b> (form) <b>Purpose:</b> Document worsening of the accepted condition and need to reopen claim for additional treatment.	Immediately following identification of worsening after a claim has been closed for sixty days. <b>Crime Victims:</b> Following identification of worsening after a claim has been closed for ninety days.	See form	Only MD, DO, DC, ND, DPM, DDS, ARNP, PA, and OD may sign and be paid for completion of this form.

**What documentation is required for initial and follow up visits?**

Legible copies of office or progress notes are required for the initial and all follow-up visits.

**What documentation are ancillary providers required to submit to the insurer?**

Ancillary providers are required to submit the following documentation to the department or self-insurer:

<b>Provider</b>	<b>Chart Notes</b>	<b>Reports</b>
Audiology	X	X
Biofeedback	X	X
Dietician		X
Drug & Alcohol Treatment	X	X
Free Standing Surgery	X	X
Free Standing Emergency Room	X	X
Head Injury Program	X	X
Home Health Care		X

<b>Provider</b>	<b>Chart Notes</b>	<b>Reports</b>
Infusion Treatment, Professional Services		X
Hospitals	X	X
Laboratories		X
Licensed Massage Therapy	X	X
Medical Transportation		X
Nurse Case Managers		X
Nursing Home	X	X
Occupational Therapist	X	X
Optometrist	X	X
Pain Clinics	X	X
Panel Examinations		X
Physical Therapist	X	X
Prosthetist/Orthotist	X	X
Radiology		X
Skilled Nursing Facility	X	X
Speech Therapist	X	X

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 296-20-03016	Is detoxification and/or chemical dependency treatment covered?
WAC 296-20-03019	Under what conditions will the department or self-insurer pay for oral opioid treatment for chronic, noncancer pain?
WAC 296-20-03020	What are the authorization requirements for treatment of chronic, noncancer pain with opioids?
WAC 296-20-03021	What documentation is required to be submitted for continued coverage of opioids to treat chronic, noncancer pain?
WAC 296-20-03022	How long will the department or self-insurer continue to pay for opioids to treat chronic, noncancer pain?
WAC 296-20-03023	When may the department or self-insurer deny payment of opioid medications used to treat chronic, noncancer pain?
WAC 296-20-03024	Will the department or self-insurer pay for nonopioid medications for the treatment of chronic, noncancer pain?

**WSR 13-07-059**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**LABOR AND INDUSTRIES**

[Filed March 19, 2013, 8:55 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-124.

Title of Rule and Other Identifying Information: Chapter 296-17 WAC, General reporting rules, audit and record-keeping, rates and rating system for Washington workers' compensation insurance; chapter 296-17A WAC, Classifications for Washington workers' compensation insurance; and chapter 296-17B WAC, Retrospective rating for workers' compensation insurance.

Hearing Location(s): Labor and Industries Building, Room S117, 7273 Linderson Way S.W., Tumwater, WA 98501, on May 8, 2013, at 1:00 p.m.

Date of Intended Adoption: May 21, 2013.

Submit Written Comments to: JoAnne Attwood, P.O. Box 44148, Olympia, WA 98504-4148, e-mail Joanne.attwood@lni.wa.gov, fax (360) 902-4799, by May 8, 2013, 5:00 p.m.

Assistance for Persons with Disabilities: Contact office of information and assistance by May 6, 2013, TTY (360) 902-5797.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: WAC 296-17-31003 No-fault insurance, 296-17-31004 (1), (2) Coverage requirements, 296-17-31005 Employer/employee relationship, 296-17-31007 Owner coverage, 296-17-31008 Notification requirements, 296-17-31017(4) Multiple classifications, 296-17-31017(1) How to report hours for employees supporting multiple business operations, 296-17-31025 Change in business operations, 296-17-31026 Reporting multiple business operations, 296-17-31029 Insurance principles, 296-17-870(11) Evaluation of actual losses, 296-17-87301 Definitions, 296-17A-0217, concrete flatwork, 296-17A-0510, Wood frame building: Construction or alterations N.O.C., 296-17A-0516, 00, 01, 02, building repair, remodeling and carpentry, 296-17A-1101, 06, delivery by retail and wholesale stores, 296-17A-1102, 02, 04, interstate, Intrastate trucking, 296-17A-1305, Television cable companies: All other employees, 296-17A-3402, 28, heat treating metal, 296-17A-3405, Precision machined parts and products N.O.C.: Manufacturing, 296-17A-4501, Radio or television broadcasting companies - field employees N.O.C., 296-17A-4502, Radio, television, recording, video production, and cable service providers; all other, 296-17A-5001, 05, Firewood cutting, 296-17A-5005, Logging: Mechanized operations, 296-17A-5301, employment agencies, 296-17A-6207, carnivals, and 296-17B-920 Hazard Group 2 tables.

This rule making is needed to correct text and reference errors, format for better readability, update language to reflect technology changes, and make classification instructions and/or definitions clearer.

Reasons Supporting Proposal: Corrections and clarifications must be made to correct errors and clarify rules so that employers can better understand and comply with the classification system.

Statutory Authority for Adoption: RCW 51.04.020 and 51.16.035.

Statute Being Implemented: RCW 51.16.035.

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: JoAnne Attwood, Tumwater, Washington, (360) 902-4777; Implementation: Les Hargrave, Tumwater, Washington, (360) 902-4298; and Enforcement: Victoria Kennedy, Tumwater, Washington, (360) 902-4997.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The agency is exempt from conducting a small business economic impact statement since the proposed rules set or adjust fees or rates pursuant to legislative standards described in RCW 34.05.310 (4)(f) and do not change current coverage options for employers and workers.

A cost-benefit analysis is not required under RCW 34.05.328. Since the proposed rules do not change any existing coverage options for employers or workers and adjust fees pursuant to legislative standards, they are exempted by RCW 34.05.328 (5)(b)(vi) from the requirement for a cost-benefit analysis.

March 19, 2013  
Joel Sacks  
Director

AMENDATORY SECTION (Amending WSR 98-18-042, filed 8/28/98, effective 10/1/98)

**WAC 296-17-31003 No-fault insurance. What is a workers' compensation insurance program?** Workers' compensation insurance is a no-fault insurance program that eliminates blame to either party for workplace injuries or illnesses. The ((~~principle~~) principal) features include:

- Wage and medical benefits to employees who suffer on-the-job injuries or illnesses; and
- Immunity from lawsuits for employers as a result of workplace injuries or illnesses suffered by their employees.

AMENDATORY SECTION (Amending WSR 04-20-023, filed 9/28/04, effective 11/1/04)

**WAC 296-17-31004 Coverage requirements. (1) I own a business. Am I required to have workers' compensation insurance coverage for my employees?** Nearly every employer doing business in the state of Washington is required to have workers' compensation insurance for his/her employees. Washington law (*RCW 51.12.020*) does exempt certain types of employment from coverage. ((~~A copy of this law can be found in Appendix A of the workers' compensation manual.~~)) If you employ only individuals who are excluded from mandatory workers' compensation insurance coverage, you are not required to have workers' compensation insurance coverage.

**(2) I hire contractors to perform work for me. Do I need to be concerned about premiums on their work?** Yes. There are two ways you may be liable for premiums on the work they do.

First, they may be "workers" for whom you are required to report and pay premiums. The law defines worker to include both your employees and independent contractors you hire, when the essence of the contract is personal labor. See RCW 51.08.070, 51.08.180, 51.08.181, and 51.08.195 for more guidance about when independent contractors will be considered workers.

Second, the Industrial Insurance Act imposes premium liability on anyone who contracts with another to have work performed. Even if the contractor you hire is not your worker (for example, if the contractor uses one or more workers on the job), you could be liable for their premiums if they fail to pay.

**(3) Is there any way for me to protect myself from being held liable for premiums owed by construction contractors I hire?** Yes, if you are a registered construction contractor or licensed electrical contractor, and you hire a

registered construction contractor or a licensed electrical contractor to do construction work that requires licensing or registration, you can protect yourself from being found liable for the premiums on the work that contractor does for you if:

(a) They have a principal place of business eligible for IRS deduction;

(b) They keep books and records that reflect all items of income and all expenses of the business; and

(c) You have verified that they have an industrial insurance account in good standing, or are a self-insured employer approved by the department.

**(4) What does "in good standing" mean?** For someone's account to be in good standing, they must:

(a) Be registered with the department of labor and industries for industrial insurance coverage with the state fund;

(b) Have a certificate of coverage, also known as a liability certificate, that has not been revoked or canceled;

(c) Have submitted all reports and supplements required by the department within the past year; and

(d) Be current with all payments due to the state fund, or are current with an approved written payment agreement with the department regarding all unpaid amounts due the state fund.

**(5) How do I know that someone's account is considered to be "in good standing"?** You can find out whether someone's account is in good standing by visiting the department's web site or calling your account manager. If the account is in good standing, we will give you a confirmation number you can keep as proof that you verified their status.

**(6) I use the same subcontractors over and over. Do I have to verify that they have an industrial insurance account in good standing every time I use them?** No. In RCW 51.12.070 protection for construction contractors only requires that you have confirmed a subcontractor's account within a year prior to letting a contract. When you check out your subcontractors on the department's web site or by calling your account manager, a confirmation number will be provided as proof you checked them out. This confirmation number is valid for one year from the time it is issued.

If you are notified by the department of labor and industries that a subcontractor's account is no longer in good standing, you may be liable for their industrial insurance premiums from the date of notification forward.

**(7) Can I, as a construction contractor, be held liable if I verify that the accounts of construction contractors I hire are in good standing, but they fail to confirm the accounts of the construction subcontractors they hire?** No. If you make sure you and your construction subcontractors meet the requirements of RCW 51.12.070, you cannot be held liable if they fail to make sure their construction subcontractors meet the requirements.

AMENDATORY SECTION (Amending WSR 98-18-042, filed 8/28/98, effective 10/1/98)

**WAC 296-17-31005 Employer/employee relationship. How do I determine if I am an employer?** Chances are that if you employ one or more individuals to work for you, you are probably an employer. RCW 51.08.070, 51.08.180 and 51.08.195 all define the employer/employee

relationship. These laws present the conditions that must exist before an exception or an independent contractor status can be recognized. ~~((Copies of these laws can be found in Appendix A of the workers' compensation underwriting manual.))~~ You may find information online at [www.lni.wa.gov](http://www.lni.wa.gov) or you may call one of our offices and a representative will help you determine if you are an employer. We are listed in the government pages of your local telephone directory, or you can call our underwriting section at ((4)360(9))-902-4817 for assistance.

AMENDATORY SECTION (Amending WSR 03-23-025, filed 11/12/03, effective 1/1/04)

**WAC 296-17-31007 Owner coverage. (1) As a business owner, can I buy workers' compensation insurance to cover myself?**

Yes. If you are a sole proprietor, partner, corporate officer, or member of a limited liability company you may not be required to have industrial insurance coverage as provided in RCW 51.12.020. In these instances, you can still obtain workers' compensation coverage from us. We refer to this coverage as optional coverage since as the owner/officer, you are not required to have this insurance. Because owner insurance coverage is optional, 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 become effective?**

Your coverage will become effective upon receipt of your application in the department in writing or by fax unless you indicate a future date. However, no such person or beneficiaries thereof shall be entitled to benefits unless the date of injury were the next day or later after coverage was elected. We will not make coverage effective on a date prior to our receipt of your completed application for owner/officer coverage.

**(3) Where can I obtain an application for owner/officer coverage?**

To obtain a copy of this application, go to <http://www.lni.wa.gov/FormPub> or contact your local labor and industries office. We are listed in the government pages of your local directory or you can call our underwriting section at ((4)360(9))-902-4817.

AMENDATORY SECTION (Amending WSR 98-18-042, filed 8/28/98, effective 10/1/98)

**WAC 296-17-31008 Notification requirements. (1) Will you notify me when you have opened my workers' compensation insurance account?**

Yes, we will notify you when we have opened your workers' compensation insurance account.

**(2) Will you contact me if you need additional information about my business?**

Yes, we will contact you if we need additional information to classify your business or establish your workers' compensation insurance account.

**(3) Will you provide me with instructions on how to report and pay premiums to you?**

Yes, we will send you a written notice describing the classification or classifications we have assigned to your business and how to report the worker hours or other exposure of your employees to us. You will receive a rate notice which will detail information about your premium rate and what portions of the rate you may deduct from your employees wages. You should keep these notices with your business records. You can find a copy of a *sample* rate notice ~~((can be found in Appendix B of this manual))~~ at [www.lni.wa.gov](http://www.lni.wa.gov). If you have questions about your classifications or you need help with reporting instructions, call your account manager.

**(4) Will you notify me if you are going to change a classification assigned to my business?**

Yes, if we need to change the classifications assigned to your business, we will send you a written notice describing the new classifications and when they become effective.

**(5) How do I notify my employees that they are covered by workers' compensation insurance?**

We will send you a certificate of coverage and a packet of information when we open your account. The packet will include some special notices which you are required to post in areas where employees frequently gather. Areas where you might consider posting the special notices include employee break rooms, employee bulletin boards, or areas where time cards are kept. These notices will inform your employees that they are covered for workers' compensation insurance under the Washington state fund and will tell them what they must do if they suffer a workplace injury or illness. The certificate of coverage should be posted in a place visible to the public. This certificate provides confirmation that you have obtained workers' compensation insurance coverage for your employees.

AMENDATORY SECTION (Amending WSR 10-10-108, filed 5/4/10, effective 7/1/10)

**WAC 296-17-31017 Multiple classifications. (1) Can I have more than one basic classification assigned to my account?**

Yes, we will assign other classifications to your business when the assignment of another basic classification is required or permitted by the description(s) of the employer's other classification(s).

Whenever you have more than one classification assigned to your account, you must keep detailed records of the actual time spent by each employee in each classification.

An explanation of payroll records you must keep can be found under WAC 296-17-35201. Use of percentages, averages or estimates is not permitted. If you do not have original time card or time book entries to support your reporting, all worker hours in question will be assigned to the highest rated classification applicable to your business operations.

**(2) Are there other circumstances when I can have more than one basic classification assigned to my account?**

Yes, under certain circumstances we will assign more than one basic classification to your account. These circumstances include:

- The employer is operating a secondary business which includes operations that we do not consider a normal part of that employer's principal business in Washington, or
- The employer has multiple retail store locations.

In these instances we will assign additional basic classifications *only if all of the following conditions are met*:

- The employer maintains separate payroll records for each business,
- Different employees work in each business,
- Each business is separated by structural partitions if they share a common business location,
- Each business can exist independently of the other, and
- The classification language of the principal business does not prohibit the assignment of the secondary classification.

If all of the above *five* conditions are not met, then the operations of the secondary business will be reported in the highest rated classification that applies to the employer.

**(3) What do you mean by the term "principal business?"**

The principal business is represented by the basic classification assigned to an employer which produces the greatest amount of exposure. The principal business does not include standard exception or general exclusion classifications or operations.

**(4) If my business is assigned a basic classification and a standard exception classification and I have an employee who works in both classifications, can I divide their exposure (hours) between the two classifications on my quarterly report?**

No, you cannot divide an employee's exposure (*work hours*) between a basic classification and standard exception classification. An explanation of "standard exception classification" is discussed in ~~((the next section -))~~ WAC 296-17-31018(2)(~~g~~). If an employee performs work covered by a basic classification and a standard exception classification, all of their exposure (*hours*) must be reported in the basic classification applicable to your business. You cannot report the exposure (*hours*) of any employee in a standard exception classification if they perform duties covered by a basic classification assigned to your business. Refer to WAC 296-17-31018 for a list and explanation of the "*exception classifications*."

**(5) I have more than one standard exception classification assigned to my business. One of my employees works in more than one of the standard exception classifications. Can I divide their exposure (hours) between two**

**or more standard exception classifications on my quarterly report?**

No, you cannot divide an employee's work hours between two standard exception classifications. You must report all exposure (*work hours*) in the highest rated standard exception classification applicable to the work being performed.

AMENDATORY SECTION (Amending WSR 12-11-109, filed 5/22/12, effective 7/1/12)

**WAC 296-17-310171 How to report hours for employees supporting multiple business operations. I have more than one basic classification assigned to my business and I have workers who work in more than one of these classifications. Can I divide their hours between these basic classifications on my quarterly report?** Yes, you may divide a worker's hours between basic classifications when:

- The classification descriptions allow a division of hours; and
- You maintain records from which the department can determine the hours the worker worked in each classification.

If the classification descriptions do not allow a division of hours, or if you fail to maintain adequate records, you must report the workers' hours in the highest rated risk classification applicable to your business, unless you can establish that the worker did not work in that classification.

**Example:** An employer has the risk classifications and rates shown below:

Risk Class	Description	Rate
0507 05	Roofing work	5.1370
0510 00	Wood frame building construction	2.9554
0513 00	Interior finish carpentry	1.3821

If the employer did not maintain records showing in which classes a worker worked, all of the worker's hours must be reported in class 0507.

If the employer had records that showed the worker only worked in classifications 0510 and 0513, but no further detail, all of the worker's hours must be reported in classification 0510.

If the employer had records that showed the hours the worker worked in classification 0510 and the hours the worker worked in 0513, the employer may report the worker's hours in both classes.

**I have employees with duties that support more than one basic classification, but I am unable to distinguish their hours between classifications. In what classification(s) do I report these workers' hours?** Sometimes employers are unable to divide a worker's hours between two or more classifications because the same work is incidental to more than one classification. You must report these hours in your governing classification. See "**What is my governing classification?**"

**What is incidental work?** Incidental work is any work, unless specifically excluded, that supports the operations

described in your classification description(s), but takes place away from where the product or service is produced.

**For example:**

There is no incidental work:

- At the construction site if the employer is the builder;
- At the assembly facility if the employer is the manufacturer;
- In the emergency room if the employer is the hospital;
- In the kitchen, if the employer is ((#)) the restaurant.

Incidental work may include:

- Laundry workers employed by but not working at a hotel;
- Warehouse workers employed by but not working at a retail store;
- A technical support team working for but not at a wholesale distributor;
- Pick-up or delivery work;
- Travel time.

**What is my governing classification?** Your governing classification is the risk classification that describes what we consider your principal business. It is the basic classification assigned to your business with the largest number of worker hours/units reported in the experience rating period as defined by WAC 296-17-850(2). If you're not sure which classification is your governing classification, you should

contact your account manager or refer to the expected loss summary in your current experience rating calculation.

If you're a new business and/or a business not experience rated, a provisional governing classification may be approved by your account manager.

*The following exception classifications cannot be considered governing classifications:*

- 4900
- 4904
- 4911
- 5206
- 6301
- 6303
- 7100
- 7101

**Example 1:** You operate both a motel with classification 4905, and a restaurant with classification 3905. You have an off-site laundry facility that cleans the linens for both the restaurant and for the motel.

In the sample 2009 expected loss summary shown below, the governing classification is the restaurant classification 3905 with a total of 108,199 units.

You must report all the laundry worker hours in your governing classification.

**Expected Loss Summary**

Class	Fiscal Year	Employee Units	Expected Loss Rate	Expected Losses	Primary Ratio	Expected Primary Losses
4905	2005	10,571	.4288	4,532.84	.5790	2,624.51
4905	2006	12,437	.3982	4,952.41	.5790	2,867.45
4905	2007	14,676	.3516	5,160.08	.5790	2,987.69
Class Total		37,684		14,645.33		8,479.65
3905	2005	24,701	.1539	3,801.48	.5980	2,273.29
3905	2006	35,825	.1445	5,176.71	.5980	3,095.67
3905	2007	47,673	.1290	6,149.82	.5980	3,677.59
Class Total		108,199		15,128.01		9,046.55

**Example 2:** You are a cabinet manufacturer who also offers installation services to your customers. Your manufacturing operations are under classification 2907 and your employees performing the installation service are under classification 0513. Your expected loss summary confirms you report more hours for manufacturing work in classification 2907 than for installation work in classification 0513. You must report all the delivery work in classification 2907.

**Example 3:** You have a floor covering store and also offer installation services to your customers. Your store operations are under classification 6309 and your employees performing the installation service are under classification 0502. Your expected loss summary confirms you report more hours for installation work in classification 0502 than for store operations in classification 6309. You must report all the delivery work in class 0502.

AMENDATORY SECTION (Amending WSR 04-18-025, filed 8/24/04, effective 10/1/04)

**WAC 296-17-31025 Change in business operations. If I change the type of business I operate, or add a new operation, should I call you?** Yes, we rely on you to update us about changes in your business operations. We provide a place on your quarterly premium reports to let us know about any changes you have made. If you need help determining if changes to your account are necessary, you can call your account manager. Depending on the type of change you are making, you may need to complete a new ((master)) business license application. The name and phone number of your account manager can be found on your quarterly premium report or annual rate notice. For your convenience you can call us at 360-902-4817 and we will put you in contact with your assigned account manager.

AMENDATORY SECTION (Amending WSR 98-18-042, filed 8/28/98, effective 10/1/98)

**WAC 296-17-31026 Reporting multiple business operations. If I have more than one business, can I report them on the same account?** The way the businesses are organized will make a difference. Each separate "*ownership type*" must be classified and reported separately from any other much the same way you must keep each business' financial records separate from any other. Your (~~master~~) business license application must specify the "*ownership type*" of your business, such as, sole proprietor, partnership, corporation, etc. If that one ownership type registration is for more than one location of the same business or more than one type of business, you can choose to report all of them on the same account or on separate accounts. However, if you register each as a separate ownership type, you must report them on separate accounts.

AMENDATORY SECTION (Amending WSR 98-18-042, filed 8/28/98, effective 10/1/98)

**WAC 296-17-31029 Insurance principles. (1) What insurance principles does the department of labor and industries use when a new classification is developed?**

Those principles are broken down into four major components as follows:

- Administration
- Equity
- Homogeneity
- Safety

A detailed explanation of these principles can be found in subsection (2) of this section.

**(2) What are these principles?**

- **Administration:** Recordkeeping requirements must be simple and easy to follow. If our classification system imposed burdensome recordkeeping requirements, most employers would find it difficult to comply. Resolving complaints related to burdensome recordkeeping requirements would be in nobody's interest. The premium rate for your basic classification is based on the *average* exposure to hazard of all your workers. If our classification system were based upon individual occupations, you would pay a lower rate for your workers whose duties are considered low hazard, but you would pay a higher rate for your workers who have duties that expose them to a greater hazard. The total premium you pay would not be decreased; it would only be redistributed and would require more recordkeeping. Having one basic classification assigned to cover all the operations makes recordkeeping and reporting easier for you.
- **Statistical credibility or equity:** By monitoring our classification plan, we ensure that enough hours are reported in each classification to provide a meaningful statistical base. A large enough statistical base helps avoid sudden large increases or decreases in rates and keeps them at the lowest possible level. We refer to this as *statistical credibility*. Classifications must also be

*responsive to change* if equity and fairness are to be achieved. Our classification plan is in a constant state of evolution. In the early 1970s we had approximately 45 classifications. Today we have over 300 main classifications and approximately 1,000 subclassification codes to track losses. In some industries, the evolution is gradual, and no change to the classification itself is needed. We recognize that the wording used to describe a classification may not have kept up with changes in an industry. However, as the industry conditions evolve because of modern equipment, new processes or materials, or changes in employment laws and safety standards, so does the experience upon which the rate is based. In other words, the changes in the experience which (~~is~~) are used to develop premium rates *reflect* new developments in processes, equipment, and technology even though the wording in the classification is unchanged. We strive to keep our classification language current. Although it would be easy to just change the classification wording as we encounter changes in an industry, Washington law requires that we conduct public hearings before we make official changes to the rule. We do this as a public safeguard and to involve business in the change process. As technologies change or new industries develop, we receive requests from industry representatives for new classifications or for determination of proper classification assignments for the new processes. We will evaluate the request and determine if there is a large enough group of employers to justify a new classification. Any classification must produce enough premium to cover losses. In addition, as specific industries become obsolete or certain processes are no longer in use we will discontinue the classifications that covered them.

- **Homogeneity:** Although it is rare that any two businesses are identical, our classification plan recognizes that similar businesses have similar exposures to occupational injury and disease. Employers with similar operations and exposures are grouped together so each classification includes common exposures and carries a rate that reflects those exposures. This method of grouping *homogenous* risks ensures that the overall cost of the workers' compensation system is distributed fairly among the businesses we insure. Classifications must also be *mutually exclusive*. Our classifications are clearly defined so that each type of business or industry fits in only one basic classification.
- **Workplace safety and accident prevention:** By classifying employers by the nature of their business, each industry can take responsibility for controlling its own workers' compensation costs. Employers may belong to a trade association, which usually offers safety or risk management services. If such services result in fewer and less costly accidents, that improved experience will tend to lower the base rates for that industry. If our classification system were based upon the occupations or duties of employees, the success of a single industry's safety or risk management program would have little impact on its premium costs.

**Example:** Many retail grocery stores employ meat cutters. If grocery stores wanted to reduce the frequency of injury to their meat cutters they could develop a safety plan that focused on proper meat handling, lifting, and cutting. Assuming the safety program was successful and reduced the cost associated with meat cutter claims, the rate for grocery stores would go down. If, on the other hand, all meat cutters, such as those who work for restaurants, grocery stores, or slaughter houses, reported in a single meat cutter classification, it is doubtful that the grocery stores' safety program would have any impact on the premium rates since grocery stores' meat cutters would represent only a small portion of a meat cutter classification.

**AMENDATORY SECTION** (Amending WSR 11-24-026, filed 12/1/11, effective 1/1/12)

**WAC 296-17-870 Evaluation of actual losses.** (1) Except as provided in subsections (3) through (12) of this section, the actual losses for claims with a date of injury during the experience period will be evaluated on the "valuation date." Losses on claims occurring outside the experience period will not be included. The actual losses for closed claims must include:

- (a) Accident and medical aid payments; and
- (b) Pension reserve amounts paid by the accident fund; and
- (c) Accident and medical aid benefits or payments that are scheduled to be paid; and
- (d) Reserve for other accident and medical aid benefits accessible by the worker while the claim is closed.

The actual losses for claims that are open may, in addition, also include a reserve for future payments. Actual losses do not include wage subsidies or reimbursements paid by the stay-at-work program.

(2) **Valuation date.** The valuation date shall be June 1, seven months immediately preceding the effective date of premium rates.

(3) **Retroactive adjustments - Revision of losses between valuation dates.** No claim value shall be revised between valuation dates and no retroactive adjustment of an experience modification shall be made because of disputation concerning the judgment of the claims examiner or because of subsequent developments except as specifically provided in the following cases:

- (a) In cases where loss values are included or excluded through mistake other than error of judgment.
- (b) In cases where a third party recovery is made, subject to subsection (5)(a) of this section.
- (c) In cases where the claim qualifies as a second injury claim under the provisions of RCW 51.16.120.
- (d) In cases where a claim, which was previously evaluated as a compensable claim, is closed and is determined to be noncompensable (ineligible for benefits other than medical treatment).
- (e) In cases where a claim is closed and is determined to be ineligible for any benefits.

In the above specified cases retroactive adjustment of the experience modification shall be made for each rating in which the claim was included. Retroactive adjustments will

not be made for rating periods more than ten years prior to the date on which the claim status was changed.

(4) **Average death value.** Each fatality occurring to a worker included within the mandatory or elective coverage of Title 51 RCW shall be assigned the "average death value." The "average death value" shall be the average incurred cost for all such fatalities occurring during the experience period. The average death value is set forth in WAC 296-17-880 (Table II).

(5) **Third-party recovery - Effect on experience modification.**

(a) For claims with injury dates prior to July 1, 1994, a potential claim cost recovery from action against a third party, either by the injured worker or by the department, shall not be considered in the evaluation of actual losses until such time as the third-party action has been completed. If a third-party recovery is made after a claim had previously been used in an experience modification calculation, the experience modification shall be retroactively adjusted. The department shall compute a percentage recovery by dividing the current valuation of the claim into the amount recovered or recoverable as of the recovery date, and shall reduce both primary and excess losses previously used in the experience modification calculation by that percentage.

(b) For claims with injury dates on or after July 1, 1994, if the department determines that there is a reasonable potential of recovery from an action against a third party, both primary and excess values of the claim shall be reduced by fifty percent for purposes of experience modification calculation, until such time as the third-party action has been completed. This calculation shall not be retroactively adjusted, regardless of the final outcome of the third-party action. After a third-party recovery is made, the actual percentage recovery shall be applied to future experience modification calculations.

(c) For third-party actions completed before July 1, 1996, the claim shall be credited with the department's net share of the recovery, after deducting attorney fees and costs. For third-party actions completed on or after July 1, 1996, the claim shall be credited with the department's gross share of the recovery, before deducting attorney fees and costs.

(d) **Definitions:**

(i) As used in this section, "recovery date" means the date the money is received at the department or the date the order confirming the distribution of the recovery becomes final, whichever comes first.

(ii) As used in this section, "recoverable" means any amount due as of the recovery date and/or any amount available to offset case reserved future benefits.

(6) **Second injury claims.** The primary and excess values of any claim which becomes eligible for second injury relief under the provisions of RCW 51.16.120, as now or hereafter amended, shall be reduced by the percentage of relief granted.

(7) **Occupational disease claims.** When a claim results from an employee's exposure to an occupational disease hazard, the "date of injury," for the purpose of experience rating, will be the date the disability was diagnosed and that gave rise to the filing of a claim for benefits. The cost of any occupational disease claim, paid from the accident fund and med-

ical aid fund and arising from exposure to the disease hazard under two or more employers, shall be prorated to each period of employment involving exposure to the hazard. Each insured employer who had employed the claimant during the experience period, and for at least ten percent of the claimant's exposure to the hazard, shall be charged for his/her share of the claim based upon the prorated costs.

(8) **Maximum claim value.** No claim shall enter an employer's experience record at a value greater than the "maximum claim value." The maximum claim value is set forth in WAC 296-17-880 (Table II).

(9) **Catastrophic losses.** Whenever a single accident results in the deaths or total permanent disability of three or more workers employed by the same employer, costs charged to the employer's experience shall be limited as required by RCW 51.16.130.

(10) **Acts of terrorism.** Whenever any worker insured with the state fund sustains an injury or occupational disease as a result of an incident certified to be an act of terrorism under the U.S. Terrorism Risk Insurance Act of 2002, the costs of the resulting claim shall be excluded from the experience rating computation of the worker's employer.

(11) **Claims filed by preferred workers.** The costs of subsequent claims filed by certified preferred workers will not be included in experience calculations, as provided in WAC ((296-16-010)) 296-16-150.

(12) **Life and rescue phase of emergencies:** This provision applies to "emergency workers" of nongovernmental employers assigned to report in classification 7205 (WAC 296-17A-7205) who assist in a life and rescue phase of a state or local emergency (disaster). The life and rescue phase of an emergency is defined in RCW 51.16.130(3) as being the first seventy-two hours after a natural or man-made disaster has occurred. For an employer to qualify for this special experience rating relief, a state or local official such as, but not limited to, the governor; a county executive; a mayor; a fire marshal; a sheriff or police chief must declare an emergency and must request help from private sector employers to assist in locating and rescuing survivors. This special relief is only applicable to nongovernmental employers during this initial seventy-two hour phase of the declared emergency unless the emergency has been extended by the official who declared the emergency. The cost of injuries or occupational disease claims filed by employees of nongovernmental employers assisting in the life and rescue phase of a declared emergency will not be charged to the experience record of the nongovernmental state fund employer.

AMENDATORY SECTION (Amending WSR 90-20-092, filed 10/1/90, effective 11/1/90)

**WAC 296-17-87301 Definitions.** The definitions in this section shall apply throughout WAC 296-17-873 through ((296-17-87308)) 296-17-87306.

(1) "Entity" means an individual, partnership, corporation, unincorporated association, or fiduciary operation (e.g. trust, receivership, or estate of deceased individual).

(2) "Majority interest" means more than fifty percent ownership in the firm (business). If the owners of the firm (business) are a partnership, majority interest means more

than fifty percent of the general partners' ownership in the firm (business). Majority interest in a partnership shall be determined in proportion to the general partners' ownership of the firm (business). For example, in a three-way partnership ... partner A owns twenty percent of the business, partner B owns twenty percent of the business, and partner C owns sixty percent of the business ... if partner A sold his/her share of the business, a majority interest still exists as partners B and C retain a majority interest (eighty percent) in the firm (business). Limited partners shall not be considered to have an ownership interest for purpose of these rules.

(3) "Joint venture" means a combination of two or more entities, entered into for the purpose of carrying to completion a specified job of limited duration.

(4) "Employee leasing entity" means a firm (business) which provides workers on a long-term basis to another firm.

AMENDATORY SECTION (Amending WSR 12-11-109, filed 5/22/12, effective 7/1/12)

**WAC 296-17A-0217 Classification 0217.**

**0217-00 Concrete flatwork - Construction and/or repair: N.O.C.**

Applies to contractors engaged in the construction and/or repair of concrete flatwork not covered by another classification (N.O.C.) such as, but not limited to, walkways, pathways, fences, and curbing. Work in this classification includes the set-up and tear down of forms, placement of reinforcing steel and wire mesh, and the pouring and finishing of concrete.

This classification excludes land clearing and excavation which is to be reported separately in classification 0101; concrete work performed on or in connection with highway, street, or roadway projects including sidewalks, curbs, gutters, median or retaining walls, sawing, drilling, or cutting operations which is to be reported separately in classification 0214; ((and)) concrete work contained within a concrete, masonry, iron or steel frame building or structure such as the foundation, floor slabs, precast or poured in place bearing floors or wall panels, columns, pillars, metal erection or any other portion of the building or structure itself which is to be reported separately in classification 0518; and the installation of preformed concrete or stone pavers which is to be reported separately in classification 0302.

**0217-01 Concrete foundation and flatwork construction and repair: Wood structural buildings**

Applies to contractors engaged in the construction and/or repair of concrete foundation and flatwork for wood structural buildings not to exceed three stories in height. This classification includes the set-up and tear down of forms, placement of reinforcing steel and wire mesh, pouring, and finishing of concrete footings, stem walls, floor pads, cellar or basement floors, garage floors, swimming pools and ponds. This includes incidental concrete work such as walkways or driveways when performed by a foundation contractor.

This classification excludes land clearing and excavation which is to be reported separately in classification 0101; concrete work performed on or in connection with highway,

street, or roadway projects including sidewalks, curbs, gutters, median or retaining walls, sawing, drilling, or cutting operations as part of the roadway which is to be reported separately in classification 0214; concrete landscape curbing which is included in classification 0301-08; ~~(and)~~ concrete work contained within a concrete, masonry, iron or steel frame building or structure such as the foundation, floor slabs, precast or poured in place bearing floors or wall panels, columns, pillars, metal erection or any other portion of the building or structure itself which is to be reported separately in classification 0518; and the installation of preformed concrete or stone pavers which is to be reported separately in classification 0302.

**0217-02 Concrete sawing, drilling and cutting, N.O.C.**

Applies to contractors engaged in concrete sawing, drilling and cutting not covered by another classification (N.O.C.), including repairs. Work contemplated by this classification includes concrete sawing, drilling and cutting operations in connection with wood frame and nonwood frame buildings or structures, including flatwork, which may or may not be part of the building structure, such as, but not limited to, foundations, walkways, driveways, patios and swimming pools which may or may not be part of the building or structure. Activities include, but are not limited to, the sawing, cutting and drilling for ventilation boxes in the footings or stem walls, cutting out for windows or door ways, preparing to mount brackets for stairways or interior bearing walls, cutting interior walls as part of a building renovation project, cutting out for electrical and switch boxes, and repairing defective areas.

This classification excludes concrete sawing, drilling, and cutting operations performed on or in connection with highway, street, or roadway projects including sidewalks, curbs, gutters, median or retaining walls as part of roadways which are to be reported separately in classification 0214; bridge construction which is to be reported separately in classification 0201; and new dam construction which is to be reported separately in classification 0701.

AMENDATORY SECTION (Amending WSR 12-11-109, filed 5/22/12, effective 7/1/12)

**WAC 296-17A-0510 Classification 0510.**

**0510-00 Wood frame building: Construction or alterations, N.O.C.**

Applies to contractors engaged in wood frame building construction or alterations not covered by another classification (N.O.C.). For the purposes of this classification, wood frame building construction means buildings erected exclusively of wood or wood products. This classification includes all building framing activities done in connection with wood frame building construction including:

- Placement of roof trusses;
- Sheathing roofs;
- Installation of exterior building siding;
- Installation of exterior doors and door frames;
- Installation of windows, window frames, and skylights

when performed by framing workers as part of the framing contract on a wood frame building;

- Erection of log home shells at customer's location.

The manufacturing of log homes in a permanent yard which includes peeling the logs, notching the logs with chainsaws, and assembly is to be reported in classification 1003-06.

This classification excludes all other phases of wood frame building construction not listed as part of the framing activities above such as, but not limited to:

- Site preparation and excavation (0101);
- Overhead or underground utilities, asphalt work, or concrete work which is to be reported separately in the applicable classification;
- New landscape work (0301);
- Brick work (0302);
- Stucco work (0303);
- Plumbing work (0306);
- HVAC work (0307);
- Carpet and tile work (0502);
- Exterior painting (0504);
- Roof work (0507);
- Insulation work (0512);
- Interior finish carpentry - Interior doors, cabinets, fixtures or molding (0513);
- Installation of garage doors (0514);
- Installation of sheet metal siding, gutters, and nonstructural sheet metal patio covers/carports (0519);
- Interior painting (0521);
- Electrical work (0601); and
- Wallboard installation, taping or texturing which are to be reported separately in the applicable classifications.

For a more thorough description of the activities included and excluded from wood frame building construction, review the Construction Industry Guide.

**Special note:** Classification 0510 also includes wood frame building alterations or remodel work when the activity involves building new additions. The term "new additions" is defined as adding on to an existing wood frame building (upwards or outwards) in which the use of structural supports and main bearing beams is required. This is distinguishable from classification 0516 - Building repair or carpentry work that typically does not require the placement of structural supports or main bearing beams. The purpose of classification 0516 is to build or rebuild with nonstructural or bearing beams, or to replace an existing portion (including existing structural and bearing beams) of a wood frame building for appearances or as a result of deterioration to make it appear new again. Care should be exercised as the terminology to build, rebuild, remodel, construct or reconstruct is irrelevant to assignment of classification which should recognize what the project actually involves.

**Guidelines:**

- Altering all or part of an existing wood frame building by adding on new additions - 0510
- Constructing a new wood frame building that never existed - 0510
- Remodeling all or part of an existing wood frame building *without* adding on new additions - 0516
- Altering all or part of an existing wood garage by adding on new additions - 0510

- Altering the existing interior of a wood frame building by adding exterior additions - 0510
- Constructing a new wood garage that never existed - 0510
- Constructing, altering, or remodeling the interiors of nonwood frame buildings - 0516
- Constructing a new wood carport or wood shed that never existed - 0510
- Constructing or replacing a wood deck for any type of nonwood building - 0516
- Constructing or replacing a wood deck on an existing wood house - 0516
- Construction of a new wood deck by the framing contractor when a new wood house is being built - 0510
- Installation of windows, window frames, and skylights when performed by framing workers as part of the framing contract of a wood frame building - 0510
- Installation of wood or vinyl siding on a new or existing wood frame building - 0510
- Installation of wood or vinyl siding on a new addition by the remodeling contractor - ((0516-02)) 0510-00
- Installation of wood or vinyl siding on an existing structure by a remodeling contractor - 0516-00 or 0510-00
- Rebuilding an existing wood carport or wood shed (all or part) with or without new additions - 0516
- Remodeling all or part of an existing wood garage without adding on new additions - 0516
- Remodeling the existing interior of a wood frame building without adding exterior additions - 0516.

**0510-99 Wood frame building: Construction or alteration, N.O.C. (only to be assigned by the wood framing specialist)**

Applies to framing contractors who consider themselves to be independent contractors, have no employees, and have not elected owner coverage for themselves.

The purpose of assigning this classification is to allow the independent contractor the opportunity to be checked for "account in good standing" status for prime contractor liability.

**Special note:** Any contractor who hires employees or elects owner coverage is required to report in the applicable construction classification.

AMENDATORY SECTION (Amending WSR 09-16-107, filed 8/4/09, effective 1/1/10)

**WAC 296-17A-0516 Classification 0516.**

**0516-00 Building repair, remodeling and carpentry**

**This subcode applies to a firm that chooses to report all construction phases in one classification. This is to simplify recordkeeping.**

Applies to contractors engaged in building repair, remodeling and carpentry work.

This classification applies to:

- Remodeling and carpentry-related framing work on concrete, brick and steel buildings.
- Wood framed building renovation and remodeling projects when the skeleton framework is not being modified or altered.

Typical projects include, but are not limited to:

- Interior building demolition ("strip outs") involving only the removal of interior walls, partitions, interior trim, cabinetry, doors, flooring and related construction materials;
- Converting a room from one use to another, such as a bedroom to a study, or a garage to a family room;
- Enlarging or reconfiguring a room by removing or adding an interior wall;
- Upgrading a kitchen or bathroom;
- Adding structures such as a wooden deck to an existing building, screening a porch, installing a wood patio cover, or assembling sheet metal tool or garden sheds.

Contractors subject to this classification use a variety of dimensional lumber and wood products, light weight metal studs and plastic and fiber reinforced boards, metal fasteners (nails, screws and bolts), and metal reinforcing or support straps such as joist hangers and post brackets.

This classification includes:

- Framing of wood structures with light weight metal studs.
- Installation of earthquake tie downs on residential buildings.
- Specialty service providers or contractors engaged in providing general repair services or performing remodeling projects on buildings and structures.

**Contractors who alter, remodel or repair existing structures and have opted to report their construction activities under this single subclassification 0516-00 are not to be assigned any other construction classification with the exception of roof work or roofing which is to be reported separately in classification 0507-05.**

**Special note:** Businesses assigned to this classification are distinguishable from those assigned to classification 0516-02, in that 0516-02 requires each phase of construction to be reported separately in the appropriate construction classification(s).

Contractors that build **new wood structural additions** as part of a remodeling contract must also report each phase separately. They must use classification 0510-00 to report the new framing. All other phases of the construction must be reported separately in the appropriate classification(s) as noted in the text of classification 0516-02.

Contractors that build new structural additions and also repair and remodel existing structures will be assigned both 0510-00 and 0516-02 in addition to any other appropriate classification. 0516-00 will not be assigned to these employers.

Subclassifications 0516-00 and 0516-02 cannot be active on an account at the same time.

**0516-01 Wood playground equipment: Installation and/or repair**

Applies to contractors engaged in the installation and/or repair of wood playground equipment. Work contemplated by this classification begins after the area of land has been excavated and/or cleared and includes installing wood playground equipment at private residences and in public settings such as, but not limited to, schools, parks, day care centers, churches, and hotels. This classification usually includes a variety of playground equipment comprised of treated wood beams, poles, posts, and a variety of dimensional lumber used

in building swings, forts, stationary and swinging bridges, balance beams, climbing towers, slides, and rope and tire walks. Generally, the process involves setting poles or posts with use of a post hole digger, backhoe or tractor equipped with an auger. The poles or posts may be set in concrete. Depending on the piece of equipment being built, use of beams, planks, dimensional lumber, rope, chains, tires, and metal bars or rings, are securely attached with nails, screws, bolts or eye hooks. This classification includes the building of borders surrounding the playground equipment area with beams or railroad ties and the spreading of pea gravel, sand or wood chips underneath the equipment.

This classification excludes the installation of metal playground equipment which is to be reported separately in classification 0603, and the excavation or clearing of land which is to be reported separately in classification 0101.

**0516-02 Building repair, remodeling and carpentry, N.O.C.**

**This subcode applies to a firm that chooses to report all construction phases into separate construction classifications.**

Applies to contractors engaged in building repair, remodeling and carpentry work, not covered by another classification (N.O.C.).

This classification applies to:

- Remodeling and carpentry-related framing work on the interior of concrete, brick and steel buildings.
- Wood framed building renovation and remodeling projects when the skeleton framework is not being modified or altered.

Typical projects include, but are not limited to:

- Interior building demolition ("strip outs") involving only the removal of interior walls, partitions, interior trim, cabinetry, doors, flooring and related construction materials.
- Converting a room from one use to another, such as a bedroom to a study, or a garage to a family room.
- Enlarging or reconfiguring a room by removing or adding an interior wall.
- Upgrading a kitchen or bathroom.
- Adding structures such as a wooden deck to an existing building, screening a porch, installing a wood patio cover, or assembling sheet metal tool or garden sheds.

Contractors subject to this classification use a variety of dimensional lumber and wood products, light weight metal studs and plastic and fiber reinforced boards, metal fasteners (nails, screws and bolts), and metal reinforcing or support straps such as joist hangers and post brackets.

This classification includes:

- Framing of wood structures with light weight metal studs.
- Installation of earthquake tie downs on residential buildings.
- Specialty service providers or contractors engaged in providing general repair services or performing remodeling projects on buildings and structures.

**Except for interior demolition, framing and drywall which are to be reported in classification 0516-02, each phase must be reported separately in the appropriate classification noted below, but not limited to:**

Concrete foundations/slabs	0217
Interior painting	0521
Counter tops	0302/0502
Metal siding/gutters	0519
Drywall	0550/0551
Plumbing	0306
Electrical	0601
Roofing new construction	0507
Roof work includes repairs to trusses, rafters, supports and sheathing	0507
Exterior painting	0504
Wood framing/sheathing/windows/non-metal siding	0510
Floor coverings	0502
Interior finish carpentry	0513
Window installation (not part of a framing contract)	0511
Insulation	0512
<u>Masonry</u>	<u>0302</u>
<u>Brick</u>	<u>0302</u>

**Reference:** WAC 296-17-31013 and 296-17-31017.

Contractors performing remodeling or alteration projects which involve **new structural additions** must report that activity in classification 0510-00 and any other applicable classification(s) noted above.

**Contractors who alter, remodel or repair existing structures can choose to report all hours in classification 0516-00. This classification excludes roofing or roof work which is to be reported in 0507-05. This method can simplify recordkeeping.**

**Special note:** Proper reporting in multiple construction classifications requires special care in maintaining required records. If these records have not been maintained as required, all worker hours for which the records were not maintained will be reassigned to the highest rated classification applicable to the work that was performed.

**Reference:** WAC 296-17-31013.

Averages, estimates or percentages are not allowed.

**Reference:** WAC 296-17-31017.

**AMENDATORY SECTION** (Amending WSR 07-12-047, filed 5/31/07, effective 7/1/07)

**WAC 296-17A-1101 Classification 1101.**

**1101-04 Automobile delivery or repossessing**

Applies to establishments engaged in delivering or repossessing individual automobiles for others. Generally, a client will contact the service company and arrange for a car to be delivered to a specific destination or request that a car of which they (client) is the legal owner, be repossessed and delivered to a specific location. In either case, a driver, not a motorized transportation service, does the delivery. Duties of employees subject to this classification are generally limited

to unlocking vehicles and driving. It is common on long distance deliveries for the service company to use more than one driver. This classification also applies to drivers of sound trucks.

This classification excludes operation of tractor/trailer combinations to transport vehicles which is to be reported separately in classification 1102 and the use of a tow truck which is to be reported separately in classification 1109.

**1101-06 Delivery by retail and wholesale stores and distributors, N.O.C.**

Applies to employees of retail and wholesale stores engaged in inter-store delivery(;) or customer merchandise delivery when excluded from the store classification, employees of a company that contracts to perform those same services, small package specialty delivery companies, and delivery not covered by another classification (N.O.C.). Employees subject to this classification are generally involved in loading and unloading delivery vans or trucks and driving from store to store, or from a store to a customer's location. Drivers may (~~or may not~~) have designated routes or delivery areas.

This classification (~~(is not applicable to)~~) excludes establishments engaged in general trucking services such as hauling bulk merchandise or commodities which are to be reported separately in classification 1102. (~~(Classification 1101 is distinguishable from delivery operations reported in classification 1102 in that businesses covered by classification 1102 generally do not own the merchandise they are transporting.)~~)

**1101-09 Parcel delivery companies for delivery of small parcels**

Applies to establishments engaged in the delivery of small parcels for others. Establishments subject to this classification may offer overnight express services, but usually do not deliver packages that exceed 150 pounds. Work contemplated by this classification includes, but is not limited to, driving, loading and unloading delivery vehicles. This classification also applies to contract mail delivery route drivers and contract hauling of mail between post offices.

This classification excludes the delivery of bulk freight such as that delivered by trucking companies which are to be reported separately in classification 1102.

**1101-14 News agents or distributors of magazines, periodicals and telephone books - No retail dealers**

Applies to establishments engaged in the distribution of newspapers, periodicals, and telephone books. Work contemplated by this classification includes, but is not limited to, driving, loading and unloading the vehicles, stocking shelves, and removing old periodicals from shelves.

**1101-17 Driver delivery sales, N.O.C.**

Applies to establishments engaged in route sales of a wide variety of merchandise not covered by another classification (N.O.C.), including, but not limited to, hand tools, automotive supply, and household items. Sales personnel deliver products, show samples and solicit further orders. They may also call on new customers along their route. The classification also applies to establishments or employees known as merchandisers who deliver products to their cus-

tomers place of business then perform related merchandising functions such as taking inventory of goods on hand, restocking, reordering, removing outdated or damaged merchandise from shelves or the premises, and/or assembling temporary displays which are usually made of lightweight material such as cardboard or plastic and used for promotional or seasonal goods. These merchandisers often deal in products such as, but not limited to, greeting cards, over-the-counter medications, and grooming products.

This classification excludes employees of establishments who provide merchandising services, but who do not deliver products to the customer's place of business, who may be reported separately in classification 0607; and establishments engaged in the set up or removal of advertising or merchandise displays that involve more than incidental assembly of seasonal or promotional exhibits which are to be reported separately in classification 0607.

**Special note:** The distinguishing factor between merchandising employees who are to be reported in classification 1101-17 and those who may be reported in classification 0607 is the delivery of products to the customer's place of business. Any employee who delivers merchandise to the customer's place of business is to be reported in classification 1101.

**1101-19 Route food services**

Applies to establishments engaged in route food services where prepackaged, prepared food is sold, or where food may be prepared in the mobile unit for immediate sale by employees of the route food service. Duties include, but are not limited to, driving, food preparation, loading and unloading the vehicle, and cashiering. Typical route food services include, but are not limited to, traveling coaches that sell beverages and prepared pastries or snack items at various locations during a given work day, ice cream wagons, refrigerated trucks that sell specialty prepackaged foods to route customers, or mobile "short-order" food services that sell fast foods at special events or at locations where hot food may not be available.

This classification excludes food preparation at a fixed location for the route food vehicles which may be reported separately in classification 3905 or as applicable, food vendors operating from a push cart or mobile stand and food vendors who operate from a truck or van but who do not move from place to place throughout the day who are to be reported separately in classification 3905.

**1101-20 Computer tape or accounting records delivery service**

Applies to establishments engaged in picking up and delivering computer tape, accounting records, or similar financial records to or from storage centers to customer locations. Delivery drivers in this classification often work in metropolitan areas and drive small cars or bicycles.

**1101-21 Errand service**

Applies to establishments engaged in providing errand services for others. Types of errands include, but are not limited to, shopping services, delivery of food, beverages or other commodities, and delivery of body fluid samples to laboratories. Vehicles used by these services are typically small

cars or bicycles. This classification also applies to the distribution of sample merchandise by vehicle.

AMENDATORY SECTION (Amending WSR 07-01-052, filed 12/8/06, effective 12/8/06)

**WAC 296-17A-1102 Classification 1102.**

**1102-02 Interstate trucking**

Applies to establishments engaged in interstate trucking. Interstate trucking is the hauling of goods, bulk merchandise, or commodities that either originate out-of-state or have an out-of-state destination. Duties include driving, ~~((mechanical repair, and,))~~ in some cases loading/unloading vehicles, and mechanical repair. The loading and unloading may be done with forklifts, pallet jacks, hand trucks, or by hand. The drivers may have an assigned route, or they may be assigned a different destination each trip.

*Special notes:* ~~((Effective July 1, 1993,))~~ Trucking establishments are allowed to have both the trucking classification 1102 and the freight handling classification 2002. However, hours cannot be split for a worker who works in both classes. If an employee has any driving duties, *all* their hours are to be reported in classification 1102. Establishments subject to this classification are to report actual hours worked for each driver. However, the hours are to be capped at 520 hours per driver per quarter. Detailed information can be found in the general audit rule covering the trucking industry and in RCW 51.12.095.

**1102-03 Intrastate trucking**

Applies to establishments engaged in intrastate trucking. Intrastate trucking is the hauling of goods, bulk merchandise, or commodities *only* within the boundaries of a state ~~((In other words,))~~. The goods must have both an origin and destination in the same state. Duties include driving, ~~((mechanical repair and,))~~ in some cases ~~((;))~~ loading and unloading the vehicles and mechanical repair. The loading and unloading may be done with forklifts, pallet jacks, hand trucks, or by hand. The drivers ~~((are usually))~~ may have assigned routes or a territory. Businesses in this classification usually have terminals or storage depots where merchandise is stored awaiting transfer.

*Special notes:* ~~((Effective July 1, 1993,))~~ Trucking establishments are allowed to have both the trucking classification 1102 and the freight handling classification 2002. However, hours cannot be split for a worker who works in both classes. If an employee has any driving duties, *all* their hours are to be reported in classification 1102. Establishments subject to this classification are to report actual hours worked for each driver. However, the hours are to be capped at 520 hours per driver per quarter. Detailed information can be found in the general audit rule covering the trucking industry and in RCW 51.12.095.

**1102-04 Combined interstate/intrastate trucking**

Applies to establishments engaged in a combination of interstate ~~((/))~~ and intrastate trucking ~~((activities. Businesses assigned to this classification generally do not produce, manufacture, or legally own the goods they are hauling))~~. Interstate trucking is the hauling of goods which either originate out-of-state or have an out-of-state destination. Intrastate

trucking is the hauling of goods *only* within the boundaries of a state ~~((In other words,))~~. The goods have both an origin and destination in the same state. Duties include driving, ~~((mechanical repair and,))~~ in some cases ~~((;))~~ loading and unloading the vehicles, and mechanical repair. The loading and unloading may be done with forklifts, pallet jacks, hand trucks, or by hand. The drivers ~~((are usually))~~ may have assigned routes or a territory. Establishments in this classification usually have terminals or storage depots where merchandise is stored awaiting transfer.

*Special notes:* ~~((Effective July 1, 1993,))~~ Trucking establishments are allowed to have both the trucking classification 1102 and the freight handling classification 2002. However, hours cannot be split for a worker who works in both classes. If an employee has any driving duties, *all* their hours are to be reported in classification 1102. Establishments subject to this classification are to report actual hours worked for each driver. However, the hours are to be capped at 520 hours per driver per quarter. Detailed information can be found in the general audit rule covering the trucking industry and in RCW 51.12.095.

AMENDATORY SECTION (Amending WSR 07-01-014, filed 12/8/06, effective 12/8/06)

**WAC 296-17A-1305 Classification 1305.**

~~((1305-00 Television cable companies—All other employees~~

~~Applies to establishments engaged in providing point-to-point subscription cable communications services. This classification is restricted to companies that provide the total spectrum of cable services for a fee or rental charge. These companies will normally operate and maintain antenna and control centers where they receive signals from broadcasting stations and transmit them through a cable system to local customers. This classification also includes homeowner associations and co-ops that operate a central system for residential users. Work contemplated by this classification includes, but is not limited to, the regular installation, maintenance and repair of machinery and equipment, the extension and maintenance of lines (including poles, towers and underground lines), installation of antennae, the clearing of right of ways, erections of poles, crossarms and insulators, and subscriber service connections when done by employees of an employer having operations subject to this classification. Machinery and equipment includes, but is not limited to, cables, transformers, control panels, poles, lines, antennae, relays, computers, cranes, forklifts, vehicles and garages, warehouse equipment, and hand tools.~~

~~This classification excludes contractors engaged in underground line construction, maintenance or repair who are to be reported separately in classification 0107; contractors engaged in overhead line installation who are to be reported separately in classification 0509; contractors engaged in pole and tower construction, maintenance or repair who are to be reported separately in classification 0508; contractors engaged in wiring within buildings and making pole-to-house service connections who are to be reported separately in classification 0601; and clerical office employees of television cable companies who are to be~~

reported separately in classification 4502-)) **Cable companies, including homeowners' associations or cooperatives offering a central cable system; technical field staff**

Classification 1305 is restricted to firms providing point-to-point subscription television or other cable communications services. These companies normally operate and maintain control centers where they receive signals through antennas or satellite dishes from broadcasting stations. The signals are then transmitted to subscribers. This classification applies to work performed away from the employer's premises, or on the roof or exterior of any building on the employer's premises. Work specific to this classification includes installing, testing, and repairing cable lines, antennas, satellite dishes, poles, towers, and using any field equipment for extending and maintaining the cable lines or doing point-to-point hook-up for customers.

This classification excludes:

- All employees working inside the employer's control centers, offices, or facilities who are reported in classification 4502;

- Workers employed by television and radio stations or audio and video production companies who are reported in classifications 4501 and 4502;

- Construction, maintenance, or repair by contractors, who are reported according to the following type work:

- Underground lines - Classification 0107;

- Overhead lines - Classification 0509;

- Towers - Classification 0508;

- Electrical wires, cable, or antenna hook-ups within buildings - Classification 0601; and

- Satellite dish and antenna hook-ups on building exteriors - Classification 0607.

Employers normally are assigned classification 4502 in addition to classification 1305; however, they must maintain records that permit the department to confirm hours worked in either classification. When employers do not or cannot maintain these records, they must report all hours in question in the classification with the higher rate.

For administrative purposes, classification 1305 is divided into the following subclassification(s):

**1305-00 Cable companies, including homeowners' associations or cooperatives, providing point-to-point cable communication services; technical field staff**

AMENDATORY SECTION (Amending WSR 10-24-118, filed 12/1/10, effective 1/1/11)

**WAC 296-17A-3402 Classification 3402.**

**3402-00 Air compressor: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of air compressors. This includes air or gas compressors used for paint sprayers, air tools, tire inflation, and general industrial purposes. Operations contemplated include, but are not limited to, welding, machining, general mechanical and electrical work. Machinery and equipment includes, but is not limited to, hand and air tools, welders, punches, shears, and compression equipment. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having

operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-01 Printing or bookbinding machinery: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of printing or bookbinding machinery. The outside casings of the machines may be made of plate metal that varies between 1" to 2 1/2" in thickness. The machines used to make the presses and binding machinery may include both computer numeric controlled (CNC) and manual mills and lathes. Other machinery used in the manufacturing process includes, but is not limited to, welders or cutters, grinders, and drill presses. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; and the set up, installation and repair of printing or bookbinding machinery which is to be reported separately in classification 0603.

**3402-02 Pump, safe, scale, auto jack, and water meter: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of pumps, safes, scales, auto jacks, and water meters. Materials range from brass screws and rubber washers used to rebuild water meters to plate metal and steel castings used for safe and pump manufacturing. Machinery includes, but is not limited to, hand tools used for repairs, lathes, welders, and pressure testers. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; the installation and repair of safes which is to be reported separately in classification 0607; and the installation of pumps which is to be reported separately in the applicable classification.

**3402-03 Shoe or textile machinery: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of shoe machinery or textile machinery. Metal materials used vary in size, shape and dimension. Machinery includes, but is not limited to, drills, mills, lathes, saws, and welders. This classification includes the repair of items being

manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and the installation and repair of shoe or textile machinery which is to be reported separately in classification 0603.

#### **3402-04 Confectioners or food processing machinery: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of food processing or confectioners machinery. Metal materials used vary in size, shape and weight. These establishments often have an assembly line operation and a separate electronic assembly area. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and the installation and repair of confectioners and food processing machinery which is to be reported separately in classification 0603.

#### **3402-05 Machine shops, N.O.C.**

Applies to establishments engaged in general machine shop operations not covered by another classification (N.O.C.), tool sharpening, and mobile welding shops. Many of the establishments in this classification are "job shops." Size and shape of materials vary with steel and aluminum being the most common. Plastics, light weight aluminum, and alloyed metals are becoming increasingly popular in the manufacture of equipment for some industries. These establishments often have welding shops along with machine shops. Machinery and equipment includes, but is not limited to, mills, lathes, grinders, saws, welding equipment, inspection equipment, and material handling equipment. Machinery is both manual and computer numeric controlled (CNC). This classification also includes "mobile shops" which are used *exclusively* to repair machinery or equipment. A "mobile shop" in this classification usually means a van or pick up pulling a utility trailer equipped with hand tools, specialty tools, air tools, a compressor, and a portable welding unit. The machinery or equipment is usually repaired at the customer's location, however, sometimes the broken part is removed and taken back to the shop for repair.

This classification excludes repairs to buildings and structures which are to be reported separately in the appropriate construction classification, and mechanical repairs which are to be reported separately in the classification applicable to the work being performed.

*Special note:* The term "job shop" is an industry term that means the shop will produce products to customer specifications.

#### **3402-06 Power saw, lawn and garden equipment, small motor, N.O.C.: Repair**

Applies to establishments engaged in repairing small power tools, small motors powered by gas or diesel, outboard marine engines, and lawn and garden equipment not covered by another classification (N.O.C.). The largest piece of equipment repaired in this classification is generally a riding lawn mower. Classification 3402-06 is assigned in conjunction with a store classification for establishments that have a store operation and also repair the type of items they sell. Classification 3402-06 may also be assigned to a manufacturer representative who performs warranty repairs. Tools used in this type of repair are mainly hand and air tools. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and the repair of electrical motors which is to be reported separately in classification 5201.

#### **3402-07 Gear: Manufacturing or grinding**

Applies to establishments engaged in the manufacture or grinding of gears. Establishments in this classification may also cut key slots and broaches. Establishments that cut stock to manufacture the gear are often not the same ones that perform the final grinding process. Gears may go through two, three, or four different grinding, slotting, and/or keying establishments and then go to another establishment for electroplating or galvanizing before they are ready for sale or use. Precision machine shops may grind gears to the ten thousandths of an inch. Materials used are usually stainless steel, aluminum, or plastic. Machinery includes, but is not limited to, gear shapers, drill presses, mill, hobbers, grinders, some of which might be computer numeric controlled (CNC). This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

#### **3402-08 Elevator: Manufacturing**

Applies to establishments engaged in the manufacture of elevators and associated electronic components. Machinery includes, but is not limited to, mills, drills, lathes, saws, and grinders. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and the installation, service, and repair of elevators which is to be reported separately in classification 0602.

### **3402-12 Multimedia blasting**

Applies to establishments engaged in multimedia (such as, but not limited to, glass, plastic and sand) blasting operations which strip paint or other coatings from metal or fiberglass. Most of the blasting operations in this classification are done on automobiles, but it also applies to establishments that perform blasting on items such as, but not limited to, barbecue grills, and cast iron pieces. Multimedia blasting processes in this classification are performed in a shop, use less air pressure and media with softer finishes than other blasting operations. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and sandblasting of buildings or structures which is to be reported separately in classification 0504.

### **3402-14 Furnace, heater, radiator, wood, propane, or pellet stoves: Manufacturing**

Applies to establishments engaged in the manufacture of furnaces, radiators, wood, propane, or pellet burning stoves or similar heating fixtures. Materials include, but are not limited to, metal cast parts, sheet metal, plate metal, aluminum, or stainless steel. Machinery includes, but is not limited to, hand tools, solder guns, punches, lathes, and saws. Establishments in this classification may have separate areas for electronic assembly and/or painting. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; establishments engaged in the manufacture of radiators for automobiles or trucks which are to be reported separately in classification 3402-48; and establishments engaged in the manufacture of baseboard heaters which are to be reported separately in classification 3404.

### **3402-16 Die casting**

Applies to establishments engaged in the manufacture of products by die casting. Die casting is a manufacturing process for producing accurately((-)dimensioned, sharply ((-)defined metal products which are referred to as "die castings." "Dies" are the steel molds used to mass produce the product. The process begins when ingots of various metal alloys are melted in die casting machines. The machine forces the metal into the die under hydraulic or pneumatic pressure. The casting quickly solidifies in the die, and is automatically ejected by the machine, and the cycle starts again. The castings are cleaned by grinding or sanding, which also removes any excess metal "flash." Many die casting manufacturers maintain their own machine shop for making the dies. Die making, when done as a part of die casting operations, is included within the scope of this classification. This classification includes the repair of items being manufactured

or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; and establishments engaged in making dies for others which are to be reported separately in classification 3402-74.

### **3402-26 Saw blade: Manufacturing, assembly, or sharpening**

Applies to establishments engaged in the manufacture, assembly, or sharpening of saw blades such as, but not limited to, those used in circular saws, band saws, rip saws, key-hole saws, and handsaws such as hacksaws or meat saws. This classification also includes sharpening services for items such as, but not limited to, tools, scissors, and knives. Materials include, but are not limited to, high tensile steel and carbide tipped blades. Machinery includes, but is not limited to, saws, mills, drills, and hand tools. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; establishments engaged in the repair or sharpening of chain saws which are to be reported separately in classification 3402-06; and establishments engaged in the manufacture or repair of electrical saws which are to be reported separately in classification 5201.

### **3402-28 Heat treating metal**

Applies to establishments engaged in heat treating metal. The heat treating process may use computer numeric controlled (CNC) ovens or furnaces. The oven may heat up to 1200 degrees Fahrenheit and a furnace may heat up to 2000 degrees Fahrenheit. The metal(s) is placed on a platform; the platform is hydraulically moved into the first chamber and the door is automatically closed. At this time, the oxygen is burned from the chamber. Then the second chamber door is opened and the metal enters the oven/furnace. Depending upon the specifications, the heat treating process usually takes six to sixteen hours. When the metal is finished in the heating chamber it returns automatically to the first chamber. Then the platform lowers and the metals are dipped into a cooling agent. Once the metals are cooled to room temperature the platform rises, the door opens, and the materials are removed. The process is essentially the same without using ((~~noncomputer~~) computer) numeric controlled (CNC) heat treating equipment except that, rather than being hydraulically operated, the machine operators move the metals through the system. Many establishments do not produce a product, but heat treat a variety of products to customer specifications. This is a shop or plant only classification; it includes work being performed in an adjacent yard when

operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-29 Nut, bolt, screw, nail, tack, rivet, eyelet spike, needle, N.O.C.: Manufacturing**  
**Sprinkler head, speedometer, carburetor: Manufacturing or assembly**

Applies to establishments engaged in the manufacture of nuts, bolts, screws, nails, tacks, rivets, eyelets, spikes, and needles not covered by another classification (N.O.C.). This classification also applies to establishments engaged in the manufacture or assembly of sprinkler heads, speedometers, or carburetors. Materials include, but are not limited to, steel or iron rods which may be pressed or formed, and small component parts. Machinery includes, but is not limited to, saws, shears, presses, chucks, threading and tapping machines, some of which may be computer numeric controlled (CNC). Establishments may have separate areas for deburring, inspecting, packing and shipping. The carburetor rebuilding may be performed on vehicles that are driven or towed into the shop, or on carburetors that have been already removed from the vehicles. In either case the repairs are made exclusively with hand and air tools and sometimes a diagnostic scope and a drill press. A speedometer is usually embodied with a mileage recording mechanism. The central feature of the device is a permanent magnet. There are gears, spindles, and a drive shaft present in most speedometers. There is also a unit counting disc and a spiral spring calibrator. Hand tools are used almost exclusively in the repair of this kind of speedometer. Today many speedometers are computer controlled. Basically, if this kind of speedometer is in need of repair, a computer chip(s) is replaced, using hand tools. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in the manufacture of hardware that is not covered under another classification, such as handles, latches, and hinges which are to be reported separately in classification 3404, and the repair of speedometers or carburetors in a vehicle which is to be reported separately in the appropriate vehicle repair classification.

**3402-32 Abrasive wheel: Manufacturing**

Applies to establishments engaged in the manufacture of abrasive wheels. Manufacturing operations often include a laboratory where carbon and other materials are mixed together to form the abrasive edge of the mainly high tensile steel wheels. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed

in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-40 Welding or cutting, N.O.C. (*mobile operations limited to repair of equipment and machinery*)**

Applies to establishments engaged in welding or cutting operations not covered by another classification (N.O.C.) either in the shop or at the customer's site. Steel is the predominant material along with some aluminum alloys. Machinery is predominantly welding equipment, but may include tools such as, but not limited to, grinders, saws, drills, and material handling equipment. This classification also includes "mobile shops" which are used *exclusively* to repair machinery or equipment. A "mobile shop" in this classification usually means a van or pick up pulling a utility trailer equipped with hand tools, specialty tools, air tools, a compressor, and a portable welding unit. The machinery or equipment is usually repaired at the customer's location, sometimes with the use of the customer's equipment; however, broken parts may be removed and taken back to the shop for repair.

This classification excludes welding construction and repairs to buildings or structures which are to be reported separately in the appropriate construction classification and mechanical repairs which are to be reported separately in the classification applicable to the work being performed.

**3402-48 Automobile or truck, radiator and heater core: Manufacturing and repair shops**

Applies to establishments engaged in the manufacture and/or repair of automobile or truck radiator and heater cores. Manufacturers in this classification may have a die casting area and a separate electronic assembly area. Tools and equipment include, but are not limited to, hand tools, solder guns, and punches. Shops that repair radiators may work on the radiators in the vehicles, but usually the radiators have been removed from the vehicle. The radiator is examined and the core may be removed. Next the radiator is cleaned, air pressurized, and dipped in a water tank to check it for leaks. Once the leaks are found they can generally be repaired by welding the holes shut. The radiator is dipped again to ensure the repair has been made properly. Cleaning the radiator may be done by sandblasting, ultra sound baths or by "rodding" the radiator to remove corrosion. Repair equipment includes, but is not limited to, welders, air and hand tools, dipping tanks, hoists, and forklifts. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-60 Office machinery, N.O.C.: Manufacturing or assembly; Cash register or sewing machines: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of cash registers, sewing machines and office machinery not covered by another classification (N.O.C.) such as, but not limited to, copiers, collators, mail/postage machines, calculators and automatic letter openers. Component parts may be metal, plastic, or wood. Operations include, but are not limited to, cutting, shaping, forming, drilling, riveting, clamping, and bolting; there may be a separate electronic assembly area. Machinery and tools vary within this classification; some establishments use hand and air tools only, others use additional equipment such as, but not limited to, saws, lathes, mills, drills, or water jets, some of which may be computer numeric controlled (CNC). This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-61 Small arms and ammunition: Manufacturing, assembly, or rebuild**

Applies to establishments engaged in the manufacture, assembly, or rebuild of small arms, the manufacture of ammunition and reloading. For the purpose of this classification, small arms means .50 caliber or less, such as pistols, rifles, shotguns, and light machine guns. Operations include, but are not limited to, metal stamping of casings, machining, assembling, and a high proportion of inspecting. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; the manufacture or repair of heavy arms which is to be reported separately in classification 5109; and gun stores which are to be reported separately in classification 6309.

**3402-74 Tool: Manufacturing, not hot forming or stamping; Die: Manufacturing - Ferrous**

Applies to establishments engaged in tool manufacturing or die manufacturing, for others, from ferrous materials. Tools manufactured in this classification are usually cutting tools used in lathes, mills, rotors, and saws. Machinery includes, but is not limited to, sharpeners, grinders, lathes and mills, which are both manual or computer numeric controlled (CNC). The die manufacturing included in this classification includes those made exclusively of ferrous materials including, but not limited to, jigs, fixtures, and dies for metal work

in general. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in the manufacture of machine-finished tools which are to be reported separately in classification 3402-83.

**3402-77 Auto, truck, semi-trailer and bus body: Manufacturing;**

**Travel trailer body: Manufacturing or repair**

Applies to establishments engaged in the manufacture of auto, truck, and bus bodies, and in the manufacture or repair of travel trailer bodies or cargo containers. Repairs are usually made with the use of welders or cutting torches and air or hand tools. These establishments will also repair or replace hydraulic units. Material used in the manufacture of goods in this classification is usually steel and aluminum, varying in thickness from 16 gauge to plate metal up to one inch thick. Shapes include, but are not limited to, sheet metal, tubes, solid rod or I-beams. Equipment includes, but is not limited to, shears, breaks, hydraulic presses, iron workers, drill presses, grinders, welders, hoist, cranes, and forklifts. Shops may have a finish sanding area as well as a paint area where the vehicle bodies are sprayed with primer, a body bonding material, or a finish coat of paint. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-83 Tool: Manufacturing and machine finishing**

Applies to establishments engaged in manufacturing and machine finishing tools. Tools manufactured in this classification are usually hand held instruments such as, but not limited to, wrenches, screw drivers, hammers, torque wrenches, pliers, and sockets. Machinery includes, but is not limited to, air and hand tools, polishers, grinders, inspection equipment, mills, lathes, shapers, and drill presses, some of which may be computer numeric (~~Control~~) controlled (CNC). Establishments may have a galvanizing and/or electroplating area for the finish work which is included when performed by employees of employers subject to this classification. Other establishments in this classification send the finish work out. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an

adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; establishments engaged in the manufacture of tools from ferrous materials which are to be reported separately in classification 3402-74; and establishments engaged in tool forging which are to be reported separately in classification 5106.

**3402-85 Auto or truck parts: Machining or rebuild not in vehicle**

Applies to establishments engaged in machining or rebuilding auto or truck parts such as, but not limited to, water pumps, fuel pumps, transmissions, heads, brake drums, ball joints, and rear ends, which are not in the vehicle. Work contemplated in this classification may also include manufacturing sockets, pulleys, shafts, fittings, flywheels, and/or bearings. Machinery includes, but is not limited to, mills, lathes, grinders, sanders, presses, welders, and balancing equipment. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in manufacturing or rebuilding auto, truck, or aircraft engines which are to be reported separately in classification 3402-86.

**3402-86 Auto, truck or aircraft engine, N.O.C.: Manufacturing or rebuilding**

Applies to establishments engaged in manufacturing or rebuilding auto, truck, or aircraft engines not covered by another classification (N.O.C.), including manufacturing the component parts. Establishments in this classification often specialize in the type of engines they make or rebuild. The basic difference between automobile, truck, and aircraft engines is the size and weight of the parts being worked on. Engine rebuild shops use many specialized machines and air tools to tear the core down to an engine block; then rebuild the engine. After the engine is stripped down to the engine block, it is placed in a machine called a baker which heats to approximately 600 degrees and bakes away the grease. After baking, the engine block is placed in a sand blaster where the surface is cleaned with very fine steel shot. The engine block is then placed in a large pressure washer which removes the steel shot. Next, the crank and cam shafts are ground and turned on machinery similar to lathes. There is usually a separate room or area which is called the "head shop" where the heads and valves are machined on valve grinders, valve facers, and head grinders. Engine rebuild shops that do not have the equipment to grind the crank and cam shafts will contract work out to other shops, or buy new crank shafts and cam shafts. Other machinery includes, but is not limited to, boring bars and hones to polish cylinder walls, small pressure washers for oil pans and other smaller parts, solvent tanks, and hoists or forklifts for lifting the engines or engine parts. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classifica-

tion; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in machining or rebuilding auto or truck parts, other than engines, which are to be reported separately in classification 3402-85.

**3402-91 Bed spring or wire mattress: Manufacturing**

Applies to establishments engaged in the manufacture of bed springs or wire mattresses. The wire stock is coiled and cut to length on a coiling machine, then tempered in an oven to produce the spring. The coils are fastened to the frame either by hand or by machine. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in the manufacture of stuffed mattresses which are to be reported separately in classification 3708.

**3402-93 Valve: Manufacturing**

Applies to establishments engaged in the manufacture of valves. Valves regulate the flow of air, gases, liquids, or loose material through structures by opening, closing, or obstructing passageways. They are operated manually, electrically, with compressed air, or hydraulic pressure. Valves are usually cut from aluminum, steel, or stainless steel either by a computer numeric controlled (CNC) machine (~~((CNC))~~) or water jet machine. Depending upon the complexity of the valve, they are assembled in one or several stages. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged in the manufacture of valves made in a die mold which are to be reported separately in classification 3402-74.

**3402-94 Precision machined parts, N.O.C.: Manufacturing**

Applies to establishments engaged in manufacturing precision machined parts not covered by another classification (N.O.C.). Most of these establishments are "job shops." Job shops make component parts for other businesses according to customer specifications, rather than manufacturing a specific product. Many establishments in this classification manufacture precision parts for the aerospace industry. Machining usually begins with solid blocks of material such as, but not limited to, steel, aluminum, titanium, inconel, or plastic, although some hollow tube, flat bar, and angle stock may also be used. The "rough cuts" are often made on manual

machines, and the finish cuts on computer numeric controlled (CNC) machines. Depending on the establishment and the job specifications, a specific part may be sent to one or more additional shops to be tempered, milled, or inspected before the original establishment is through with the manufacturing process. Some parts are so sensitive that climate controlled conditions are necessary. Both manual and CNC mills and lathes are the most common types of machines used. Others include, but are not limited to, saws, drills, and grinding machines. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-95 Storage battery: Manufacturing, assembly or repair**

Applies to establishments engaged in the manufacture, assembly, or repair of storage batteries. Lead ingots, weighing 20-25 pounds, are melted and poured into a mold or casting machine. After the grids are cooled lead oxide is then pumped onto each side of a grid and cured by baking in an oven of about 300 - 400 degrees F. The plates are then assembled by placing a negative separator (zinc) between a positive separator (copper), and so forth until there are enough of these cells to form the battery. Next, they are sent to a burning machine that cures the paste and plates. After the burning process, the plates are placed into a plastic or hard rubber box-like container and cured for two or three days. The plates are welded together and the top is attached to the body of the battery case with an epoxy glue. Diluted sulfuric acid is added to the battery and then it is put on a charger. The battery is then cleaned and packed for shipping. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant; establishments engaged in the manufacture of dry cell (flashlight type) batteries which are to be reported separately in classification 3602; and establishments engaged in battery sales and installation which are to be reported separately in the applicable automotive services classification.

**3402-96 Automobile or motorcycle: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of automobiles or motorcycles. Most of the manufacturing operations, such as cutting, milling, and turning, are performed with computer (~~Numerically~~) numeric controlled (CNC) machinery. Most of the assembly operations are performed with air and hand tools. Other machinery

includes but is not limited to saws, grinders, and drill presses. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant and establishments engaged only in the manufacture of auto bodies which are to be reported separately in classification 3402-77.

**3402-98 Machinery, N.O.C.: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of machinery not covered by another classification (N.O.C.). For purposes of this classification, machinery means any combination of mechanical parts constructed primarily with metal. Finished products vary widely and range from hand held machines to those weighing thousands of pounds; products include, but are not limited to, grinding machines, boring machines, conveyer systems, and wood chippers. Machinery used to manufacture these items includes, but is not limited to, lathes, mills, press, breaks, shears, and welders, some of which may be computer (~~Numerically~~) numeric controlled (CNC). This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

**3402-99 Photo processing machinery: Manufacturing or assembly**

Applies to establishments engaged in the manufacture or assembly of photo processing machinery such as, but not limited to, photo processors or film enlargers. This classification includes the repair of items being manufactured or assembled when done by employees of an employer having operations subject to this classification when the repair is done as a part of and in connection with the manufacturing or assembly operation. This is a shop or plant only classification; it includes work being performed in an adjacent yard when operated by an employer having operations subject to this classification.

This classification excludes all activities away from the shop or plant.

AMENDATORY SECTION (Amending WSR 07-01-014, filed 12/8/06, effective 12/8/06)

**WAC 296-17A-3405 Classification 3405.**

**3405-02 Precision machined parts and products, N.O.C.: Manufacturing**

Applies to establishments engaged in the manufacture of parts and products not otherwise classified (N.O.C.) of various sizes and metal compositions which are primarily produced with computer numeric controlled (CNC) machinery and equipment and are frequently used by aerospace, aircraft, automotive, medical, and scientific industries.

This classification excludes establishments engaged in the manufacture of hand tools, hardware, or similar parts or products, N.O.C. which are not produced with ((computer numeric controlled)) CNC machinery and equipment. This classification excludes all foundry operations involving the preparation of castings, the pouring of metal, and shake out operations which are to be reported separately in classification 5103.

AMENDATORY SECTION (Amending WSR 07-01-014, filed 12/8/06, effective 12/8/06)

**WAC 296-17A-4501 Classification 4501.**

~~((4501-00 Radio or television broadcasting companies: Transmitter or field employees outside, N.O.C.~~

~~Applies to the field employees, not covered by another classification (N.O.C.), of establishments engaged in the operation of radio or television broadcasting companies. This classification is limited to outside employees engaged in technical and engineering work such as the installation/testing/repair of lines, antennas (including tower mounted), satellite dishes, and field transmitting equipment.~~

~~This classification excludes radio or television broadcasting station employees confined to the studio or office such as, but not limited to, control operators/engineers, announcers, camera operators, players, entertainers, musicians, clerical office and sales personnel, who are to be reported separately in classification 4502; establishments engaged in providing television cable service to subscribers which are to be reported separately in classification 1305; contractors engaged in underground line construction, maintenance, or repair who are to be reported separately in classification 0107; contractors engaged in overhead line construction, maintenance or repair who are to be reported separately in classification 0509; and contractors engaged in wiring within buildings and antenna hookups within buildings who are to be reported separately in classification 0601.)~~ **Radio or television broadcasting, recording, and video production; technical field staff**

Classification 4501 applies to technical staff for radio, television, recording, and video production, who perform work such as installing, testing, and repairing lines, antennas (including tower mounted), satellite dishes, and field transmitting equipment outside their employers' offices or studios.

This classification excludes:

• Employees working inside the employer's studio or office who are to be reported separately in classification 4502;

• Workers employed by cable service providers who are reported separately in classifications 1305 and 4502;

• Construction, maintenance, or repair by contractors, who are reported according to the following type work:

– Underground lines - Classification 0107;

– Overhead lines - Classification 0509;

– Towers - Classification 0508;

– Electrical wires, cable, or antenna hook-ups within buildings - Classification 0601; and

– Satellite dish and antenna hookups on building exteriors - Classification 0607.

Employers normally are assigned classification 4502 in addition to classification 4501; however, they must maintain records that permit the department to confirm hours worked in either classification. When employers do not or cannot maintain these records, they must report all hours in question in the classification with the higher rate.

For administrative purposes, classification 4501 is divided into the following subclassification(s):

**4501-00 Radio or television broadcasting, recording, and video production; technical field staff**

AMENDATORY SECTION (Amending WSR 07-01-014, filed 12/8/06, effective 12/8/06)

**WAC 296-17A-4502 Classification 4502.**

~~((4502-00 Radio broadcasting stations: All other employment~~

~~Applies to establishments engaged in the operation of radio broadcasting stations. This classification is limited to those employees who are confined to the studio or office such as, but not limited to, control operators, producers, engineers, announcers, reporters, disc jockeys, players, entertainers, musicians, clerical office and sales personnel. This classification includes occasional outside exposure when broadcasting from a remote location.~~

~~This classification excludes radio broadcasting station field employees engaged in technical and engineering work such as, but not limited to, the installation/testing/repair of lines, antennas, and satellite dishes who are to be reported separately in classification 4501.~~

~~**4502-01 Television broadcasting stations and video production: All other employment**~~

~~Applies to establishments engaged in the operation of television broadcasting stations and the production of videos. This classification is limited to those employees who are confined to the studio or office such as, but not limited to, control operators, producers, directors, announcers, camera operators, reporters, players, entertainers, musicians, clerical office and sales personnel. This classification includes occasional outside exposure when broadcasting from a remote location.~~

~~This classification excludes television broadcasting station field employees engaged in technical and engineering work such as, but not limited to, installation/testing/repair of lines, antennas, and satellite dishes who are to be reported separately in classification 4501; studio or office employees of television cable companies who are to be reported separately in classification 4502-03; and large-scale theatri-~~

cal/movie production which is to be reported separately in classification 6608.

#### **4502-02 Recording companies, studio**

Applies to establishments engaged in the operation of studio-recording companies. This classification is limited to those employees who are confined to the studio or office such as, but not limited to, control operators, engineers, announcers, players, entertainers, musicians, clerical office and sales personnel. This classification includes occasional outside exposure when recording at a remote location.

#### **4502-03 Television cable companies: Control room and clerical personnel**

Applies to control room and office employees of establishments engaged in providing point-to-point cable television service to subscribers. Television cable companies receive commercially produced programming from others through satellite and antennae, which they distribute to their subscribers through the local cable lines they install and maintain. They may also become involved in producing original programming and making channels available for public access broadcasts. Work contemplated by this classification is limited to those employees who are confined to a control center, studio or office such as, but not limited to, control operators, players, announcers, entertainers, musicians, clerical office and sales personnel. This classification includes occasional outside exposure for broadcasting from a remote location. Also included are homeowners' associations and co-ops who operate a central system for residential users.

This classification excludes television cable company field employees engaged in operation, maintenance and extension of lines and subscriber hook-ups who are to be reported separately in classification 1305 and studio or office employees of noncable television broadcasting companies who are to be reported separately in classification 4502-01.))

#### **Radio, television, recording, video production, and cable service providers; all other employees**

Classification 4502 is limited to employees who do **not** install, test, or repair electrical wiring, cable lines, antennas, satellite dishes, or hook-up subscribers, unless the work is performed inside buildings on their employers' premises. Occupations reported in this classification include clerical office and sales workers, but may also include:

Account managers;  
Administrative staff;  
Advertising, marketing, and promotions staff;  
Animation production staff;  
Announcers;  
Art, design, wardrobe staff;  
Billing, customer service staff;  
Camera operators, videographers, photographers;  
Commercial productions staff;  
Control room engineers and operators;  
Facility operations, maintenance staff;  
Film and video editors;  
Meteorologists;  
Music DJs;  
Musicians, performers, actors, and personalities;  
Producers, directors, reporters;  
Sales staff;

Set construction staff, lighting technicians;  
Studio engineers, studio technicians;  
Stunts staff.

This classification excludes:

- Field employees for cable television or communication providers installing or maintaining extension lines and subscriber hook-ups, who are reported separately in classification 1305;

- Technical staff employed by a radio or television station, recording studio, or video production company installing, testing, or repairing electrical wires, cable, antennas, satellite dishes, or any other equipment outside their employers' studios, offices, or facilities;

- Large-scale theatrical/movie productions reported separately in classification 6608;

- Videotaping by photography studios reported separately in classification 6506; and

- Entertainers, musicians, recording engineers, etc., who are not employees of the broadcasting or recording company.

Businesses may be assigned either classification 4501 or 1305 in addition to classification 4502; however, employers must maintain records that permit the department to confirm hours worked in each classification. If employers do not or cannot maintain these records, they must report all hours in question in the classification with the higher rate.

For administrative purposes classification 4502 is divided into the following subclassification(s):

#### **4502-00 Radio stations, N.O.C.**

#### **4502-01 Television stations and video production**

#### **4502-02 Recording studios**

#### **4502-03 Cable companies, including homeowners' associations or cooperatives offering a central cable system**

AMENDATORY SECTION (Amending WSR 09-24-082, filed 11/30/09, effective 1/1/10)

#### **WAC 296-17A-5001 Classification 5001.**

#### **5001-03 Logging, N.O.C.**

Applies to establishments engaged in various logging operations not covered by another classification (N.O.C). Typical work contemplated by this classification includes, but is not limited to, high lead or tower logging, ground logging, and team logging with horses. For purposes of this rule, logging is the complete operation of felling, skidding, yarding, delimiting, and bucking of trees into logs or block wood and loading them onto trucks or rail cars.

*Definitions:*

*High Lead or Tower Logging* - Usually occurs in steep terrain where a metal tower is set-up on a hilltop with a system of heavy cables running down the hillside and fastened to a stump or tree and has other smaller cables with chokers hanging from it. A choker is wrapped around each fallen tree and pulled back to the landing site.

*Helicopter logging* - Includes ground crews that work with the use of helicopters to hoist fallen trees or bucked log lengths to the landing side.

*Chokers* - Chains or cables which are attached to the fallen trees for skidding to the landing site.

*Ground logging* - Usually occurs on relatively flat land; fallen trees are moved to a landing by a skidder, cat or shovel.

*Bucking* - Stripping or delimiting tree of branches and cutting the tree to desired log lengths.

*Skidding* - Process of dragging the fallen logs to the landing site.

*Landing* - Place where the fallen logs are brought for sorting and loading onto log trucks.

*Yarding* - Usually performed at the landing site with use of a log loader to sort the logs by species, length and diameter, prior to loading onto log trucks.

This classification excludes flight crews of helicopters used in helicopter logging which are to be reported separately in classification 6803; log hauling which is to be reported separately in classification 5003; logging road construction which is to be reported separately in classification 6902; logging machine operators which are to be reported separately in classification 5005-01; and mechanical or mechanized logging operations which are to be reported separately in classification 5005-00 provided the classification has been approved by the classification services section.

#### **5001-04 Shake, shingle bolt, and post cutting**

Applies to establishments engaged in the cutting of shakes, shingle bolts (blocks), and fence posts in the woods. For the purposes of this rule, this classification includes all operations performed in the woods such as, but not limited to, the felling of trees, stripping or delimiting of branches, and all further cutting or splitting of trees/logs to produce shakes, shingle bolts or fence posts. This classification includes all transporting of shakes, shingle bolts or fence posts from the cutting site when conducted by employees of employers subject to this classification.

#### **5001-05 Firewood cutting**

Applies to establishments engaged in the cutting of firewood in the woods. For the purposes of this rule, this classification includes all operations performed in the woods such as, but not limited to, the felling of trees, stripping or delimiting of branches, and all further cutting or splitting of trees/logs to produce firewood. This classification includes all transporting of log lengths, rounds or split wood from the cutting site when conducted by employees of employers subject to this classification. This classification excludes firewood sales lots conducted away from logging operations, which are to be reported in classification 1103.

#### **5001-06 Sawmill operations conducted in the woods in connection with logging operations**

Applies to establishments operating a temporary or portable sawmill operation in the woods. This type of work is usually performed on privately owned land. A portable sawmill and saw tables, similar to those at a permanent sawmill location, are transported directly to the logging site. Log lengths are fed through a circular saw that is capable of producing various sized rough cut timber, blocks, boards and planks. This classification includes all transporting of rough cut timber, blocks, boards and planks from the cutting and/or sawing site when conducted by employees of employers subject to this classification.

This classification excludes sawmill operations which are not conducted in the woods in connection with a logging operation which is to be reported separately in the applicable sawmill classification.

**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.

**AMENDATORY SECTION** (Amending WSR 09-24-082, filed 11/30/09, effective 1/1/10)

### **WAC 296-17A-5005 Classification 5005.**

#### **5005-00 Logging and/or tree thinning - Mechanized operations**

*(to be assigned only by classification services staff)*

~~((Applies to establishments engaged in mechanized logging or tree thinning operations. For purposes of this classification, mechanized logging is defined as the entire process of felling, removal (skidding), yarding, processing, delimiting, bucking and loading of trees/logs by machine. This classification can be used by a logging contractor only if the entire side is being logged using methods and equipment described in this rule. If any portion of the side is being logged by conventional methods the entire operation must be reported in classification 5001 - Logging, N.O.C. or 5005-01 Logging Machine Operators. For example, an employer that subcontracts to fell trees with a feller/buncher or processor but is not involved in the removal (skidding) of the trees, the processing (delimiting and bucking) of the trees and the loading of trees is excluded from classification 5005-00 and is to be reported in classification 5001 - Logging, N.O.C. or 5005-01 Logging Machine Operators. Any employer whose operation includes any manual felling, removal, processing, or loading of trees is excluded from classification 5005-00 and is to be reported in classification 5001 - Logging, N.O.C. Work contemplated by this classification includes the falling of trees with a machine such as a feller buncher or processor; skidding logs to the landing with use of a grapple skidder or forwarder; delimiting logs with a mechanized delimiting such as a stroke delimiting, processor, CTR or harvester; and loading logs onto log trucks with a mechanical loader or shovel. Equipment used by employers subject to this classification will consist of the following:~~

~~*Feller/buncher* - Used to fell trees and place felled trees into stacks (bunches) for removal to the log landing for further processing. The operator of this machine does not leave the cab of the machine in the performance of duties in the logging operation.~~

~~*Processor* - Used to fell trees, delimit them, buck tree to desired log length and stack the bunches for removal to the landing where they will be segregated by general grade and loaded onto log trucks. A processor is sometimes used at the landing to delimit trees and buck them to log length, especially when the trees are felled by a feller/buncher. The operator of this machine does not leave the cab of the machine in the performance of duties in the logging operation.~~

~~*Grapple skidder* - Is used to remove (ground skid) stacks (bunches) of felled trees from the woods to the landing. The industry refers to both the skidder and the bulldozers as a tractor. The two are distinguished from one another in that~~

the skidder is a tire-driven tractor and the bulldozer is a track-driven tractor. A bulldozer equipped with a grapple is an acceptable piece of equipment to be used in the removal of trees. The operator of either the grapple skidder or bulldozer equipped with grapple does not leave the cab of the machine in the performance of duties in the logging operation.

**Forwarder**—Is used to remove logs as cut by a processor from the woods to an awaiting log truck or to be stacked in piles for a future pick up by a log truck. This is a small specialized tractor equipped with a self loader and a log bunk. The operator of this machine does not leave the machine in the performance of duties in the logging operation.

**Harvester**—Is used at the landing of the logging side to delimb trees and buck trees to desired log length. This machine can also be used to load logs onto log trucks. The operator of this machine does not leave the cab of the machine in the performance of duties in the logging operation.

**Loader**—Is used at the landing to load logs onto log trucks. The operator of this machine does not leave the cab of the machine in the performance of duties in the logging operation.

This classification excludes log hauling which is to be reported separately in classification 5003, logging road construction which is to be reported separately in classification 6902, logging machine operators which are to be reported separately in classification 5005-01, and logging operations which are to be reported separately in classification 5001.

**Special notes:** If any portion of the logging contract is performed manually or by hand, the establishment does not qualify for this classification. If any portion of the logging contract is subcontracted out to another business and is performed manually or by hand, then none of the businesses involved in the logging contract will qualify for this classification and are to be reported separately in classification 5001 or 5005-01.

All equipment used by employers subject to this classification must meet WISHA guidelines for Roll Over Protection Standards (ROPS) and Falling Object Protection Standards (FOPS).

See classification 5206 (WAC 296-17-675) for permanent shop/yard operations.

#### **5005-01 Logging machine operators (to be assigned only by classification services staff)**

This classification applies to employees of a logging company that does not qualify as a mechanized operation but operates equipment such as a feller buncher, processor, forwarder, skidder, log loader, or tower and who are in a protective cab. This classification also applies to firms who contract with logging firms to provide such equipment and operators to a logging side. The operator does not leave the cab to perform duties as part of the logging operation. Equipment used by employers subject to this classification are required to meet WISHA guidelines for roll over protection standards (ROPS) and falling object protection standards (FOPS).

This classification excludes all logging activities being performed on the ground which are to be reported separately in classification 5001.

**Special note:** This classification does not apply to classification 5005-00 "logging and/or tree thinning—mechanical

operations" whereby logging activities are performed exclusively by machine and no employees are on the ground.)) Applies to establishments engaged in mechanized logging or tree thinning operations. For purposes of this classification, mechanized logging is defined as the entire process of felling, removal (skidding), yarding, processing, delimiting, bucking and loading of trees or logs by machine.

#### **When would your business qualify for this classification?**

• If the entire side is being logged using methods and equipment described in this rule.

#### **Typical equipment:**

- Feller buncher;
- Forwarder;
- Grapple skidder;
- Harvester;
- Log loader;
- Processor.

All equipment used by employers subject to this classification must have a protective cab and is required to meet WISHA guidelines for roll over protection standards (ROPS) and falling object protection standards (FOPS).

#### **Work in this classification includes, but is not limited to:**

- Falling of trees with a machine such as a feller buncher or processor;
- Skidding logs to the landing with use of a grapple skidder or forwarder;
- Delimiting logs with a mechanized delimeter such as a stroke delimeter, processor, or harvester;
- Loading logs onto log trucks with a mechanized loader or shovel; and
- Operators who leave the cab of the machine to perform incidental maintenance on the machine or to cut debris out of the equipment.

#### **What activities are not included in this classification?**

- Operators who leave the cab of the machine to perform duties as part of a logging operation or falling and processing of any trees by hand (report in classification 5001).
- If any portion of the logging contract is performed manually or by hand, the establishment does not qualify for this classification (report in classification 5001 or 5005-01);
- If any portion of the logging contract is subcontracted out to another business and is performed manually or by hand, then none of the businesses involved in the logging contract will qualify for this classification (report in classification 5001 or 5005-01);
- Log hauling (report in classification 5003);
- Logging road construction (report in classification 6902);
- Logging machine operators (report in classification 5005-01); and
- Manual logging operations (report in classification 5001).

**Note:** See classification 5206 and the exemption classification reporting rule (WAC 296-17-31018) for permanent yard or shop operations.

**5005-01 Logging machine operators****(to be assigned only by classification services staff)**

Applies to employees of a logging company that does not qualify as a mechanized operation, or firms who contract with logging firms to provide such equipment and operators to a logging side.

**Typical equipment:**

- Feller buncher;
- Forwarder;
- Grapple skidder;
- Harvester;
- Log loader;
- Processor;
- Tower.

All equipment used by employers subject to this classification must have a protective cab and is required to meet WISHA guidelines for roll over protection standards (ROPS) and falling object protection standards (FOPS).

**Work in this classification includes:**

• Operators who leave the cab of the machine to perform incidental maintenance of the machine or to cut debris out of the equipment.

**What activities are not included in this classification?**

• Operators who leave the cab of the machine to perform duties as part of a logging operation or falling and processing of any trees by hand (report those hours in classification 5001).

• Operators of machines that require the operator to routinely leave the cab during operation. For example: a skidder operator that must leave the cab to set chokers (report in classification 5001).

**Special note:** This classification does not apply to classification 5005-00 "logging and/or tree thinning - Mechanical operations" where logging activities are performed exclusively by machine and no employees are on the ground.

AMENDATORY SECTION (Amending WSR 12-11-109, filed 5/22/12, effective 7/1/12)

**WAC 296-17A-5301 Classification 5301.****5301-10 Accounting or bookkeeping services**

Applies to establishments engaged in providing general accounting or bookkeeping services to others. Types of services contemplated by establishments subject to this classification include, but are not limited to:

- Auditing;
- Tax preparation;
- Medical or dental claims processing and billing;
- Advisory services.

This classification includes:

- Clerical office;
- Outside sales, and personnel who travel from one office to another.

This classification excludes establishments engaged primarily in management consultant services that are not otherwise classified, which are to be reported separately in classification 5301-12.

**Special note:** This classification is limited to employers engaged in such services being provided to the general public. This is a services only classification and does not include

retailing or store operations, nor is this classification to be assigned to employers setting up separate business operations to manage other commonly owned or operated business undertakings unless coincidentally the other operations are also subject to this classification.

**5301-11 Law firms**

Applies to establishments engaged in providing legal services to others. Law firms may specialize in one or more areas of law. This classification includes clerical office and outside sales personnel who travel from one office environment to another.

**Special note:** This is a services only classification and does not include retailing or store operations, nor is this classification to be assigned to employers setting up separate business operations to manage other commonly owned or operated business undertakings unless coincidentally the other operations are also subject to this classification.

**5301-12 Management consultant services, N.O.C.**

Applies to establishments engaged in providing management consulting services not covered by another classification (N.O.C.). Management consultants typically will observe and analyze:

- Computer or communication systems;
- Mail distribution;
- Organizational structures;
- Planning or development of related business needs;
- Work processes or work flows.

After a thorough analysis, consultants usually prepare a written report for the customer which identifies problem areas and/or recommends improvements to processes or equipment. Consultants may remain to oversee the implementation of the recommended improvements. Consultants subject to this classification do not sell any product they have recommended although they may act as an agent for their client in purchasing the product. Consulting projects vary from client to client depending upon the contract. Included within this classification are businesses that provide similar consultative services such as, but not limited to:

- Advertising agencies;
- Employer representative organizations;
- Mortgage brokers and financial advisers who do not make purchases on behalf of their clients;
- Public relations companies.

This classification includes clerical office staff, outside sales personnel and other staff who travel from one office to another.

This classification excludes businesses that perform computer consulting for others, which is to be reported in classification 5302.

**Special note:** This classification is limited to employers engaged in such services being provided to the general public. This is a services only classification and does not include retailing or store operations, nor is this classification to be assigned to employers setting up separate business operations to manage other commonly owned or operated business undertakings unless coincidentally the other operations are also subject to this classification.

**5301-13 Credit bureaus; collection agencies**

Applies to establishments that are licensed to provide collection and/or credit investigation services to others. Services include, but are not limited to:

- Checking the credit backgrounds of their client's potential customers;
- Collection of NSF checks or delinquent debts owed to clients of the collection agency.

If debts are not collected, the service agency may initiate legal proceedings against the debtor. This classification includes clerical office and outside sales personnel, and other staff who travel from one office to another.

This classification excludes establishments engaged in providing process and legal messenger services which are to be reported separately in classification 6601.

**5301-14 Employment agencies**

*(only to be assigned by the temporary help/leasing underwriter)*

Applies to establishments that are licensed to provide employment services for others. Clients of employment agencies may be persons seeking employment or companies looking for employees. Employment agencies usually conduct preliminary interviews with candidates for positions prior to referring them to their client companies for interviews. Generally, establishments subject to this classification place people in permanent positions. This classification includes clerical office and outside sales personnel, and staff who travel from one office to another.

This classification excludes:

- Employees of a temporary help agency who are assigned to work in the administrative or branch offices of the agency who are to be reported separately in classification 7104;
- Employees of a temporary help agency who are assigned on a temporary basis to its customers who are to be reported separately in the appropriate temporary help classification.

**5301-15 Court reporting services**

Applies to establishments engaged in providing court reporting services to others. Court reporters record verbatim testimony presented in court proceedings, depositions, public hearings or meetings. The most frequently used method to record testimony is by stenotype machine, although it may be recorded by voice recording on audio tape, or by manual shorthand. Transcription of the recorded material may be performed by the court reporter or by "note readers" or typists. The majority of court reporters today use computer-aided transcription systems. Court reporters may also offer notary public services for their clients. This classification includes clerical office and staff who travel from one office to another.

**5301-16 Service and professional organizations**

Applies to establishments engaged in protecting or furthering the interest of their members and/or the general public. Many of these operate as nonprofit organizations. Service and professional organizations may perform one or many of the following activities:

- Administer certification tests;
- Arbitrate disputes;
- Award scholarships;

- Collect membership dues;
- Compile, review, and disseminate informational data;
- Disburse funds;
- Host conventions;
- Issue vehicle license registrations, plates, decals, and certificates of title;
- Lobby the legislature;
- Manage promotional marketing programs;
- Maintain a membership directory;
- Offer insurance programs;
- Operate a tourist information center;
- Organize fund-raising campaigns;
- Perform charitable community services;
- Perform collective bargaining;
- Provide counseling, adoption, and advocacy services;
- Provide job placement assistance;
- Publish a newsletter;
- Research and interpret local, state, and federal regulations and apprise members of the results;
- Sponsor athletic leagues and tournaments;
- Sponsor educational training programs.

Also included in this classification are Economic Development Councils, Boards, or Associations. These nonprofit organizations provide economic consulting services and related statistics to government and industry in the promotion of economic stability, and recruit businesses that will create jobs and provide loans from the grant funds they manage. This classification includes clerical office and outside sales personnel who travel from one office environment to another.

This classification excludes:

- Collection of donated items by truck which is to be reported separately in classification 1101;
- Labor unions and employee representative associations which are to be reported separately in classification 6503.

**Special note:** If a charitable organization subject to classification 5301 operates a retail store for the sale of donated items, the collection of those items by truck, and all store operations, are to be reported separately in classification 6504.

**5301-18 Telephone answering services**

Applies to establishments engaged in providing telephone answering services for others. Customers include, but are not limited to:

- Attorneys;
- Medical professionals;
- Private businesses;
- Individuals.

Most answering services today use computerized communications systems to identify company names when answering calls for various companies, obtain correct information about the company to respond to questions, record and relay accurate messages in a timely manner. Related services often offered by telephone answering service companies include, but are not limited to:

- Dispatching;
- Monitoring alarm systems;
- Placing reminder calls;
- Rental of office space;
- Scheduling appointments for customers;
- Telemarketing;

- Voice mail or paging.

This classification includes clerical office personnel and staff who travel from one office to another.

#### **5301-19 Travel agencies**

Applies to establishments engaged in providing travel arrangement services for others. Travel agencies coordinate all types of travel arrangements for their clients through:

- Air;
- Bus lines;
- Car rental agencies;
- Cruise;
- Hotels;
- Motels;
- Related travel providers;
- Resorts;
- Train;
- Travel insurance companies.

Services vary and could include:

- Arrangement of special needs for disabled or elderly travelers;
- Booking reservations;
- Delivery of tickets and itineraries to clients;
- Selling tickets for tours, excursions, or other entertainment events.

This classification includes clerical office and sales staff who travel from one office to another.

#### **5301-21 Word processing or secretarial services**

Applies to establishments engaged in providing word processing or secretarial services to others. Services include, but are not limited to:

- Desktop publishing;
- Dictation and transcription services;
- Making copies of documents;
- Typing/compiling reports, proposals, resumes, or correspondence;
- Sending faxes.

A pickup and delivery service may be offered. This classification includes clerical office and outside sales personnel who travel from one office environment to another.

**Special note:** This classification is limited to employers engaged in such services being provided to the general public. This is a services only classification and does not include retailing or store operations, nor is this classification to be assigned to employers setting up separate business operations to manage other commonly owned or operated business undertakings unless coincidentally the other operations are also subject to this classification.

AMENDATORY SECTION (Amending WSR 07-01-014, filed 12/8/06, effective 12/8/06)

#### **WAC 296-17A-6207 Classification 6207.**

##### **6207-00 Carnivals - Traveling**

Applies to those employees of an employer engaged in operating traveling carnivals, who are drivers and/or engaged in the set up and/or tear down of mechanical and nonmechanical amusement rides, and any temporary structure associated with a traveling carnival such as, but not limited to, game,

food, or souvenir concession booths, mobile offices, aid rooms or ticket booths.

This classification excludes clerical office employees who are assigned to a permanent office location with no outside duties who may be reported separately in classification 4904 provided all the conditions of the general reporting rules covering standard exception employees have been met; clerical employees who travel with the carnival or with ride operators and who work out of a mobile office, ride operators, game attendants, ticket sellers/takers and personnel involved in the care, custody, and maintenance of carnival facilities who are to be reported separately in classification 6208; establishments engaged in operating mechanical or nonmechanical rides at a permanent location which are to be reported separately in classification 6208; and establishments engaged in operating video or amusement game arcades at a permanent location, not within or operated in connection with an amusement park, which are to be reported separately in classification 6406.

**Special note:** Permanent shop employees, and those employees assigned to the shop during the winter quartering period may be reported separately in classification 5206 provided the conditions set forth in WAC ((296-17-675)) 296-17-31018 have been met.

##### **6207-01 Circuses - Traveling**

Applies to establishments engaged in operating a traveling circus. Work contemplated by this classification includes all preparations, operations and maintenance normally performed by employees of an employer having operations subject to this classification. Employments include, but are not limited to, drivers, trainers, performers, ticket sellers/takers, clerical staff who travel with the circus, set up/tear down of mechanical and nonmechanical rides, concession booths or stands, mobile offices, aid rooms, ticket booths and all other temporary structures associated with a traveling circus.

This classification excludes clerical office employees who are assigned to a permanent office location with no outside duties, who may be reported separately in classification 4904 provided all the conditions of the general reporting rules covering standard exception employees have been met.

**Special note:** Classifications 6208 and 5206 do not apply to circus operations.

##### **6207-02 Amusement rides - Traveling**

Applies to establishments engaged in operating mechanical or nonmechanical amusement rides. Employments contemplated by this classification include, but are not limited to, drivers and all employees engaged in the set up and tear down, operation, and maintenance of mechanical and nonmechanical rides and all other temporary structures associated with the amusement rides. This classification also includes automobile stunt shows, such as monster trucks or motorcycle car jumps, that perform for entertainment purposes. Covered employments associated with automobile stunt shows include, but are not limited to, drivers, mechanics, and maintenance employees who set up and take down ramps or other structures used in the show.

This classification excludes clerical office employees who are assigned to a permanent office location with no outside duties, who may be reported separately in classification

4904 provided all the conditions of the general reporting rule covering standard exception employees have been met; clerical employees who travel with the amusement operations and work out of a mobile office, ride operators, attendants, ticket sellers/takers, and personnel involved in the care, custody, and maintenance of amusement facilities who may be reported separately in classification 6208; employers engaged in operating mechanical or nonmechanical rides at a permanent location which are to be reported separately in classification 6208; and establishments engaged in operating video or amusement game arcades at a permanent location, not within or operated in connection with an amusement park, which are to be reported separately in classification 6406.

**Special note:** Permanent shop employees, and those employees assigned to the shop during the winter quartering period, may be reported separately in classification 5206 provided the conditions set forth in WAC 296-17-675 have been met.

**6207-03 Rodeos**

Applies to establishments engaged in the production of rodeos. Employments contemplated by this classification include all operations normally performed by employees of an employer having operations subject to this classification

such as, but not limited to, drivers and all arena employees, setting up/tearing down temporary enclosures/structures/bleachers, clowns, gate openers, animal handlers, ticket sellers/takers, first-aid staff, and clerical staff who travel with the rodeo.

This classification excludes clerical office employees who are assigned to a permanent office location with no outside duties, who may be reported separately in classification 4904 provided all the conditions of the general reporting rule covering standard exception employees have been met; and stock handlers who contract with a rodeo producer to supply horses, bulls, or other rodeo animals, who are to be reported separately in classification 7302.

**Special note:** Classifications 6208 and 5206 do not apply to rodeos.

**6207-04 Fireworks exhibition**

Applies to establishments engaged in producing pyrotechnic exhibitions. This classification includes purchasing ready made fireworks, setting up displays, timing fuses, lighting the fireworks, and cleaning up.

This classification excludes establishments engaged in the manufacture of fireworks which are to be reported separately in classification 4601.

AMENDATORY SECTION (Amending WSR 10-21-086, filed 10/19/10, effective 11/19/10)

**WAC 296-17B-920 Hazard Group 2 tables.**

**Premium-Based Plan, with no Single Loss Limit**

**Insurance Charge Table  
Hazard Group 2  
Effective November 19, 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

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
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
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 November 19, 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	.0321	.0674	.1058	.1464	.2317	.3202	.4109	.5031
2	.0000	.0304	.0646	.1023	.1422	.2262	.3137	.4034	.4947
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

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
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
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 November 19, 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

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
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
	\$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

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
	\$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
	\$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 November 19, 2010**

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	<del>(50%)</del> 60%
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

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	((50%)) 60%
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
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

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	((50%)) 60%
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
	\$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 November 19, 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

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
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
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

Maximum Loss Ratio														
Size	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
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
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 November 19, 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

Minimum Loss Ratio									
Size	0%	5%	10%	15%	20%	30%	40%	50%	60%
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
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 November 19, 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

Maximum Loss Ratio															
Size	Single Loss Limit*	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
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
	\$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 November 19, 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

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
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
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

Minimum Loss Ratio										
Size	Single Loss Limit*	0%	5%	10%	15%	20%	30%	40%	50%	60%
	\$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
	\$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.

**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 13-07-064****PROPOSED RULES****OFFICE OF****INSURANCE COMMISSIONER**

[Insurance Commissioner Matter No. R 2012-17—Filed March 19, 2013, 11:42 a.m.]

Supplemental Notice to WSR 13-03-138.

Preproposal statement of inquiry was filed as WSR 12-12-064.

Title of Rule and Other Identifying Information: Essential health benefits designation, supplementation and establishment of scope and limitation requirements.

Hearing Location(s): Training Room, T-120, 5000 Capitol Way South, Tumwater, WA, on April 23, 2013, at 1:00 p.m.

Date of Intended Adoption: April 25, 2013.

Submit Written Comments to: Meg L. Jones, P.O. Box 40258, Olympia, WA 98504, e-mail rulescoordinator@oic.wa.gov, fax (360) 586-3109, by April 22, 2013.

Assistance for Persons with Disabilities: Contact Lorie Villaflores by April 22, 2013, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules will establish new sections in chapter 284-43 WAC, Health benefits, explaining the requirements associated with carrier inclusion of the essential health benefits (EHB) package in nongrandfathered individual and small group plans for plans with coverage beginning January 1, 2014. Under federal law, plans must be substantially equal to the "EHB-benchmark plan." The proposed rules identify the specific supplementation of benefits for pediatric oral and vision services with federally designated benchmark plans for those benefits, and the scope, limitation and definition of covered benefits that comprise the EHB-benchmark plan.

Reasons Supporting Proposal: RCW 48.43.715 directs the commissioner to designate by rule the small group plan with the largest enrollment as the benchmark plan for purposes of defining the essential health benefits package for nongrandfathered individual and small group health benefit plans issued on or after January 1, 2014. The same legislation requires supplementation, and adjustment or establishment of scope and limitation requirements by the commissioner in order to ensure meaningful benefits and prevent bias based on health selection. Carriers require specific guidance in order to prepare plan filings for the commissioner's review, and have sufficient time to satisfy plan replacement and health benefit exchange participation requirements.

Statutory Authority for Adoption: RCW 48.02.060, 48.21.241, 48.21.320, 48.44.460, 48.44.341, 48.46.291, 48.46.530, and 48.43.715.

Statute Being Implemented: RCW 48.43.715.

Rule is necessary because of federal law, P.L. 111-148, as amended, section 1302 (2010).

Name of Proponent: Office of insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Meg Jones, P.O. Box 40258, Olympia, WA, (360) 725-7170; Implementation: Beth Berendt, P.O. Box 40258, Olympia,

WA, (360) 725-7117; and Enforcement: Carol Sureau, P.O. Box 40258, Olympia, WA, (360) 725-7050.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The entities that must comply with the proposed rule are not small businesses, pursuant to chapter 19.85 RCW.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Meg Jones, P.O. Box 40258, Olympia, WA 98504, phone (360) 725-7170, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

March 19, 2013

Mike Kreidler

Insurance Commissioner

**NEW SECTION**

**WAC 284-43-849 Purpose and scope.** For plan years beginning on or after January 1, 2014, each nongrandfathered health benefit plan offered, issued, amended or renewed to small employers or individuals, both inside and outside the Washington health benefit exchange, must provide coverage for a package of essential health benefits, pursuant to RCW 48.43.715. This subchapter explains the regulatory standards related to this coverage, establishes supplementation of the base-benchmark plan consistent with PPACA and RCW 48.43.715, and the parameters of the state EHB-benchmark plan.

(1) This subchapter does not apply to a health benefit plan that provides excepted benefits as described in section 2722 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-21), or a health benefit plan that qualifies as a grandfathered health plan as defined in RCW 48.43.005.

(2) This subchapter does not require provider reimbursement at the same levels negotiated by the base-benchmark plan's issuer for their plan.

(3) This subchapter does not require a plan to exclude the services or treatments from coverage that are excluded in the base-benchmark plan.

**NEW SECTION**

**WAC 284-43-852 Definitions.** The following definitions apply to this subchapter unless the context indicates otherwise.

"Base-benchmark plan" means the small group plan with the largest enrollment, as designated in WAC 284-43-865(1), prior to any adjustments made pursuant to RCW 48.43.715.

"EHB-benchmark plan" means the set of benefits that an issuer must include in nongrandfathered plans offered in the individual or small group market in Washington state.

"Health benefit," unless defined differently pursuant to federal rules, regulations, or guidance issued pursuant to section 1302(b) of PPACA, means health care items or services for injury, disease, or a health condition, including a behavioral health condition.

"Individual plan" includes any nongrandfathered health benefit plan offered, issued, amended or renewed by an admitted issuer in the state of Washington for the individual health benefit plan market, unless the certificate of coverage

is issued to an individual pursuant to or issued through an organization meeting the definition pursuant to 29 U.S.C. 1002(5).

"Mandated benefit" or "required benefit" means a health plan benefit for a specific type of service, device or medical equipment, or treatment for a specified condition or conditions that a health plan is required to cover by either state or federal law. Required benefits do not include provider, definition, delivery method, or health status based requirements.

"Meaningful health benefit" means a benefit that must be included in an essential health benefit category in order for the category to reasonably provide medically necessary services for an individual patient's condition on a nondiscriminatory basis.

"Medical necessity determination process" means the process used by a health issuer to make a coverage determination about whether a medical item or service is medically necessary for an individual patient.

"PPACA" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any rules, regulations, or guidance issued thereunder.

"Scope or limitation requirement" means a requirement applicable to a benefit that limits its duration, the number of times coverage is available for the benefit, or imposes a legally permitted eligibility or reference-based limitation on a specific benefit.

"Small group plan" includes any nongrandfathered health benefit plan offered, issued, amended or renewed by an admitted issuer in the state of Washington for the small group health benefit plan market to a small group, as defined in RCW 48.43.005, unless the certificate of coverage is issued to a small group pursuant to a master contract held by or issued through an organization meeting the definition established pursuant to 29 U.S.C. 1002(5).

"Stand-alone dental plan" means coverage for a set of benefits limited to oral care including, but not necessarily limited to, pediatric oral care, as referenced in RCW 43.71.-065.

#### NEW SECTION

##### **WAC 284-43-860 Medical necessity determination.**

(1) An issuer's certificate of coverage and the summary of coverage for the health plan must specifically explain any uniformly applied limitation on the scope, visit number or duration of a benefit, and state whether the uniform limitation is subject to adjustment based on the specific treatment requirements of the patient.

(2) An issuer's medical necessity determination process must:

(a) Be clearly explained in the certificate of coverage, plan document, or contract for health benefit coverage;

(b) Be conducted fairly, and with transparency to enrollees and providers, at a minimum when an enrollee or their representative appeals or seeks review of an adverse benefit determination;

(c) Include consideration of services that are a logical next step in reasonable care if they are appropriate for the

patient. Medical necessity determination processes must identify the information needed in the decision-making process and incorporate appropriate outcomes within a developmental framework;

(d) Ensure that when the interpretation of the medical purpose of interventions is part of the medical necessity decision making, the interpretation standard can be explained in writing to an enrollee and providers, and is broad enough to address any of the services encompassed in the ten essential health benefits categories of care;

(e) Comply with inclusion of the ten essential health benefits categories and prohibitions against discrimination based on age, present or predicted disability, expected length of life, degree of medical dependency, quality of life or other health conditions, race, gender, national origin, sexual orientation and gender identity;

(f) Include consideration of the treating provider's clinical judgment and recommendations regarding the medical purpose of the requested service, and the extent to which the service is likely to produce incremental health benefits for the enrollee;

(g) Identify by role who will participate in the decision-making process; and

(h) Ensure that where medically appropriate, an enrollee is not restricted as to the site of service delivery.

(3) An issuer's medical necessity determination process may include, but is not limited to, evaluation of the effectiveness and benefit of a service for the individual patient based on scientific evidence considerations, up-to-date and consistent professional standards of care, convincing expert opinion and a comparison to alternative interventions, including no interventions. Cost effectiveness may be criteria for determining medical necessity if it is not limited to lowest price.

(4) Medical necessity criteria for medical/surgical benefits and mental health/substance use disorder benefits or for other essential health benefit categories must be furnished to an enrollee or provider within thirty days of a request to do so.

#### NEW SECTION

**WAC 284-43-877 Plan design.** (1) A nongrandfathered individual or small group health benefit plan issued, renewed, amended, or offered on or after January 1, 2014, must provide coverage that is substantially equal to the EHB-benchmark plan, as described in WAC 284-43-878, 284-43-879, and 284-43-880.

(a) For plans offered, issued, amended or renewed for a plan or policy year beginning on or after January 1, 2014, until December 31, 2015, an issuer must offer the EHB-benchmark plan without substituting benefits for those specifically identified in the EHB-benchmark plan.

(b) For plan or policy years beginning on or after January 1, 2015, an issuer may substitute benefits to the extent that the benefits are substantially equal to the EHB-benchmark plan.

(c) For the purposes of this section "substantially equal" means that:

(i) The scope and level of benefits offered within each essential health benefit category is meaningful;

(ii) The aggregate value of the benefits across all essential health benefit categories does not vary more than a de minimis amount from the aggregate value of the EHB-benchmark base plan; and

(iii) Within each essential health benefit category, the actuarial value of the category must not vary more than a de minimis amount from the actuarial value of the category for the EHB-benchmark plan.

(2) An issuer must classify covered services to an essential health benefits category consistent with WAC 284-43-878, 284-43-879, and 284-43-880 for purposes of determining actuarial value. An issuer may not use classification of services to an essential health benefits category for purposes of determining actuarial value as the basis for denying coverage under a health benefit plan.

(3) The base-benchmark plan does not specifically list all types of services, settings and supplies that can be classified to each essential health benefits category. The base-benchmark plan design does not specifically list each covered service, supply or treatment; coverage for not specifically excluded benefits is determined based on medical necessity. An issuer may design its plan in this way and comply with the EHB-benchmark plan requirements if each of the essential health benefit categories is specifically covered in a manner substantially equal to the EHB-benchmark plan.

(4) An issuer is not required to exclude services excluded by the base-benchmark plan, but must not include those services as part of its calculation of actuarial value for a category to which those services are classified. A plan must not exclude a benefit that is specifically included in the base-benchmark plan.

(5) An issuer must not apply visit limitations or limit the scope of the benefit category based on the type of provider delivering the service, other than requiring that the service must be within the provider's scope of license for purposes of coverage. This obligation does not require an issuer to contract with any willing provider, nor is an issuer restricted from establishing reasonable requirements for credentialing of and access to providers within its network.

(6) Telemedicine or telehealth services are considered provider services, and not a benefit for purposes of the essential health benefits package.

(7) Consistent with state and federal law, a health benefit plan must not contain an exclusion that unreasonably restricts access to medically necessary services for populations with special needs including, but not limited to, a chronic condition caused by illness or injury, either acquired or congenital.

(8) Unless an age based reference limitation is specifically included in the base-benchmark plan or a supplemental base-benchmark plan for a category set forth in WAC 284-43-878, 284-43-879, or 284-443-880, an issuer's scope of coverage for those categories of benefits must cover both pediatric and adult populations.

(9) A health benefit plan may not be offered if the commissioner determines that:

(a) It creates a risk of biased selection based on health status;

(b) The benefits within an essential health benefit category are limited so that the coverage for the category is not a meaningful benefit; or

(c) The benefit has a discriminatory effect in practice, outcome or purpose in relation to age, present or predicted disability, and expected length of life, degree of medical dependency, quality of life or other health conditions, race, gender, national origin, sexual orientation and gender identity or in the application of Section 511 of Public Law 110-343 (the federal Mental Health Parity and Addiction Equity Act of 2008).

(10) An issuer must not impose annual or lifetime dollar limits on an essential health benefit, other than those permitted as reference based limitations pursuant to WAC 284-43-878, 284-43-879, and 284-43-880.

#### NEW SECTION

##### **WAC 284-43-878 Essential health benefit categories.**

(1) A health benefit plan must cover "ambulatory patient services." For purposes of determining a plan's actuarial value, an issuer must classify as ambulatory patient services medically necessary services delivered to enrollees in settings other than a hospital or skilled nursing facility, which are generally recognized and accepted for diagnostic or therapeutic purposes to treat illness or injury, in a substantially equal manner to the base-benchmark plan.

(a) A health benefit plan must include the following services, which are specifically covered by the base-benchmark plan, and classify them as ambulatory patient services:

(i) Home and out-patient dialysis services;

(ii) Hospice and home health care, including skilled nursing care as an alternative to hospitalization consistent with WAC 284-44-500, 284-46-500, and 284-96-500;

(iii) Provider office visits and treatments, and associated supplies and services, including therapeutic injections and related supplies;

(iv) Urgent care center visits, including provider services, facility costs and supplies;

(v) Ambulatory surgical center professional services, including anesthesiology, professional surgical services, and surgical supplies and facility costs;

(vi) Diagnostic procedures including colonoscopies, cardiovascular testing, pulmonary function studies and neurology/neuromuscular procedures; and

(vii) Provider contraceptive services and supplies including, but not limited to, vasectomy, tubal ligation and insertion or extraction of FDA-approved contraceptive devices.

(b) A health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan, and should not be included in establishing actuarial value for this category.

(i) Infertility treatment and reversal of voluntary sterilization;

(ii) Routine foot care for those that are not diabetic;

(iii) Coverage of dental services following injury to sound natural teeth, but not excluding services or appliances necessary for or resulting from medical treatment if the service is:

(A) Emergency in nature; or

(B) Requires extraction of teeth to prepare the jaw for radiation treatments of neoplastic disease. Oral surgery related to trauma and injury must be covered.

(iv) Private duty nursing for hospice care and home health care, to the extent consistent with state and federal law;

(v) Adult dental care and orthodontia delivered by a dentist or in a dentist's office;

(vi) Nonskilled care and help with activities of daily living;

(vii) Hearing care, routine hearing examinations, programs or treatment for hearing loss including, but not limited to, externally worn or surgically implanted hearing aids, and the surgery and services necessary to implant them, other than for cochlear implants, which are covered, and for hearing screening tests required under the preventive services category, unless coverage for these services and devices are required as part of and classified to another essential health benefits category;

(viii) Obesity or weight reduction or control other than covered nutritional counseling.

(c) The base-benchmark plan establishes specific limitations on services classified to the ambulatory patient services category that conflict with state or federal law as of January 1, 2014. The base-benchmark plan limits nutritional counseling to three visits per lifetime, if the benefit is not associated with diabetes management. This lifetime limitation for nutritional counseling is not part of the state EHB-benchmark plan. An issuer may limit this service based on medical necessity, and may establish an additional reasonable visit limitation requirement for nutritional counseling for medical conditions when supported by evidence based medical criteria.

(d) The base-benchmark plan's visit limitations on services in this category include:

(i) Ten spinal manipulation services per calendar year without referral;

(ii) Twelve acupuncture services per calendar year without referral;

(iii) Fourteen days respite care on either an inpatient or outpatient basis for hospice patients, per lifetime;

(iv) One hundred thirty visits per calendar year for home health care.

(e) State benefit requirements classified to this category are:

(i) Chiropractic care (RCW 48.44.310);

(ii) TMJ disorder treatment (RCW 48.21.320, 48.44.460, and 48.46.530);

(iii) Diabetes-related care and supplies (RCW 48.20.391, 48.21.143, 48.44.315, and 48.46.272).

(2) A health benefit plan must cover "emergency medical services." For purposes of determining a plan's actuarial value, an issuer must classify care and services related to an emergency medical condition to the emergency medical services category.

(a) A health benefit plan must include the following services which are specifically covered by the base-benchmark plan and classify them as emergency services:

(i) Ambulance transportation to an emergency room and treatment provided as part of the ambulance service;

(ii) Emergency room based services, supplies and treatment, including professional charges, facility costs, and outpatient charges for patient observation and medical screening exams required to stabilize a patient experiencing an emergency medical condition;

(iii) Prescription medications associated with an emergency medical condition, including those purchased in a foreign country.

(b) The base-benchmark plan does not exclude services classified to the emergency medical care category.

(c) The base-benchmark base plan does not establish specific limitations on services classified to the emergency medical services category that conflict with state or federal law as of January 1, 2014.

(d) The base-benchmark plan does not establish visit limitations on services in this category.

(e) State benefit requirements covered under this category include services necessary to screen and stabilize a covered person (RCW 48.43.093).

(3) A health benefit plan must cover "hospitalization." For purposes of determining a plan's actuarial value, an issuer must classify as hospitalization services medically necessary medical services delivered in a hospital or skilled nursing setting including, but not limited to, professional services, facility fees, supplies, laboratory, therapy or other types of services delivered on an inpatient basis, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must include the following services which are specifically covered by the base-benchmark plan and classify them as hospitalization services:

(i) Hospital visits, facility costs, provider and staff services and treatments delivered during an inpatient hospital stay, including inpatient pharmacy services;

(ii) Skilled nursing facility costs, including professional services and pharmacy services and prescriptions filled in the skilled nursing facility pharmacy;

(iii) Transplant services, supplies and treatment for donors and recipients, including the transplant facility fees performed in either a hospital setting or outpatient setting;

(iv) Dialysis services delivered in a hospital;

(v) Artificial organ transplants based on an issuer's medical guidelines and manufacturer recommendation;

(vi) Respite care services delivered on an inpatient basis in a hospital or skilled nursing facility.

(b) A health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan, and should not be included in establishing actuarial value:

(i) Hospitalization where mental illness is the primary diagnosis to the extent that it is classified under the mental health and substance use disorder benefits category;

(ii) Cosmetic or reconstructive services and supplies except in the treatment of a congenital anomaly, to restore a physical bodily function lost as a result of injury or illness, or related to breast reconstruction following a medically necessary mastectomy;

(iii) The following types of surgery:

(A) Bariatric surgery and supplies;

(B) Orthognathic surgery and supplies unless due to temporomandibular joint disorder or injury, sleep apnea or congenital anomaly; and

(C) Sexual reassignment treatment and surgery.

(iv) Reversal of sterilizations;

(v) Surgical procedures to correct refractive errors, astigmatism or reversals or revisions of surgical procedures which alter the refractive character of the eye.

(c) The base-benchmark plan establishes specific limitations on services classified to the hospitalization category that conflict with state or federal law as of January 1, 2014. The state EHB-benchmark plan limitations for these services are:

(i) The transplant waiting period must not be longer than ninety days, inclusive of prior creditable coverage, if an issuer elects to apply a limitation to the benefit.

(ii) Where transplant benefit services are delivered in a nonhospital setting, the same waiting period limitation may be applied.

(d) The base-benchmark plan's visit limitations on services in this category include:

(i) Sixty inpatient days per calendar year for illness, injury or physical disability in a skilled nursing facility;

(ii) Thirty inpatient rehabilitation service days per calendar year. This benefit may be classified to this category for determining actuarial value or to the rehabilitation services category, but not to both.

(e) State benefit requirements covered under this category are:

(i) General anesthesia and facility charges for dental procedures for those who would be at risk if the service were performed elsewhere and without anesthesia (RCW 48.43.185);

(ii) Reconstructive breast surgery resulting from a mastectomy that resulted from disease, illness or injury (RCW 48.20.395, 48.21.230, 48.44.330, and 48.46.280);

(iii) Coverage for treatment of temporomandibular joint disorder (RCW 48.21.320, 48.44.460, and 48.46.530);

(iv) Coverage at a long-term care facility following hospitalization (RCW 48.43.125).

(4) A health benefit plan must cover "maternity and newborn" services. For purposes of determining a plan's actuarial value, an issuer must classify to the maternity and newborn services category medically necessary care and services delivered to women during pregnancy and in relation to delivery and recovery from delivery, and to newborn children, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must cover the following services which are specifically covered by the base-benchmark plan and classify them as maternity and newborn services:

(i) In utero treatment for the fetus;

(ii) Vaginal or cesarean childbirth delivery in a hospital or birthing center, including facility fees;

(iii) Nursery services and supplies for newborns, including newly adopted children;

(iv) Infertility diagnosis;

(v) Prenatal and postnatal care and services, including screening;

(vi) Complications of pregnancy such as, but not limited to, fetal distress, gestational diabetes, and toxemia; and

(vii) Termination of pregnancy. Termination of pregnancy may be included in an issuer's essential health benefits package, but nothing in this section requires an issuer to offer the benefit, consistent with 42 U.S.C. 18023 (b)(a)(A)(i) and 45 C.F.R. 156.115.

(b) A health benefit plan may include, but is not required to include, the following service as part of the EHB-benchmark package. This service is specifically excluded by the base-benchmark plan, and should not be included in determining actuarial value: Genetic testing of the child's father.

(c) The base-benchmark plan establishes specific limitations on services classified to the maternity and newborn category that conflict with state or federal law as of January 1, 2014. The state EHB-benchmark plan requirements for these services are:

(i) Maternity coverage for dependent daughters must be included in the base-benchmark plan on the same basis that the coverage is included for other enrollees;

(ii) Newborns delivered of dependent daughters must be covered to the same extent, and on the same basis, as newborns delivered to the other enrollees under the plan.

(d) The base-benchmark plan's limitations on services in this category include coverage of home birth by a midwife or nurse midwife only for low risk pregnancy.

(e) State benefit requirements covered under this category include:

(i) Maternity services that include diagnosis of pregnancy, prenatal care, delivery, care for complications of pregnancy, physician services, and hospital services (RCW 48.43.041);

(ii) Newborn coverage that is not less than the coverage for the mother, for no less than three weeks (RCW 48.43.-115);

(iii) Prenatal diagnosis of congenital disorders by screening/diagnostic procedures if medically necessary (RCW 48.20.430, 48.21.244, 48.44.344, and 48.46.375).

(5) A health benefit plan must cover "mental health and substance use disorder services, including behavioral health treatment." For purposes of determining a plan's actuarial value, an issuer must classify as mental health and substance use disorder services, including behavioral health treatment medically necessary care, treatment and services for mental health conditions and substance use disorders categorized in the most recent version of the *Diagnostic and Statistical Manual of Mental Disorders (DSM)*, including behavioral health treatment for those conditions, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must include the following services, when medically necessary, which are specifically covered by the base-benchmark plan, and classify them as mental health and substance use disorder services, including behavioral health treatment:

(i) Inpatient, residential and outpatient mental health and substance use disorder treatment, including partial hospital programs or inpatient services;

(ii) Chemical dependency detoxification;

(iii) Behavioral treatment for a DSM category diagnosis;

(iv) Services provided by a licensed behavioral health provider for a covered diagnosis in a skilled nursing facility;

(v) Prescription medication prescribed during an inpatient and residential course of treatment;

(vi) Acupuncture treatment visits without application of the visit limitation requirements, when provided for chemical dependency.

(b) A health benefit plan may include, but is not required to include, the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan, and should not be included in establishing actuarial value.

(i) Counseling in the absence of illness, other than family counseling when the patient is a child or adolescent with a covered diagnosis and the family counseling is part of the treatment for mental health services;

(ii) Mental health treatment for diagnostic codes 302 through 302.9 in the DSM-IV, or for "V code" diagnoses except for medically necessary services for parent-child relational problems for children five years of age or younger, neglect or abuse of a child for children five years of age or younger, and bereavement for children five years of age or younger, unless this exclusion is preempted by federal law;

(iii) Not medically necessary court-ordered mental health treatment.

(c) The base-benchmark plan establishes specific limitations on services classified to the mental health and substance abuse disorder services category that conflict with state or federal law as of January 1, 2014. The state EHB-benchmark plan requirements for these services are:

(i) Coverage for eating disorder treatment must be covered when associated with a diagnosis of a DSM categorized mental health condition;

(ii) Chemical detoxification coverage must not be uniformly limited to thirty days. Medical necessity, utilization review and criteria consistent with federal law may be applied by an issuer in designing coverage for this benefit;

(iii) Mental health services and substance use disorder treatment must be delivered in a home health setting on parity with medical surgical benefits, consistent with state and federal law.

(d) The benchmark-base plan's visit limitations on services in this category include: Court ordered treatment only when medically necessary.

(e) State benefit requirements covered under this category include:

(i) Mental health services (RCW 48.20.580, 48.21.241, 48.44.341, and 48.46.285);

(ii) Chemical dependency detoxification services (RCW 48.21.180, 48.44.240, 48.44.245, 48.46.350, and 48.46.355);

(iii) Services delivered pursuant to involuntary commitment proceedings (RCW 48.21.242, 48.44.342, and 48.46.292).

(f) The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (Public Law 110-343) (MHPAEA) applies to a health benefit plan subject to this section. Coverage of mental health and substance use disorder services, along with any scope and duration limits imposed on the benefits, must comply with the MHPAEA, and all rules, regulations and guidance issued pursuant to Section 2726 of the federal Public Health Service Act (42

U.S.C. Sec. 300gg-26) where state law is silent, or where federal law preempts state law.

(6) A health benefit plan must cover "prescription drug services." For purposes of determining actuarial value, an issuer must classify as prescription drug services medically necessary prescribed drugs, medication and drug therapies, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must include the following services, which are specifically covered by the base-benchmark plan:

(i) Drugs and medications both generic and brand name, including self-administrable prescription medications, consistent with the requirements of (b) through (f) of this subsection;

(ii) Prescribed medical supplies, including diabetic supplies that are not otherwise covered as durable medical equipment under the rehabilitative and habilitative services category, including test strips, glucagon emergency kits, insulin and insulin syringes;

(iii) All FDA approved contraceptive methods, and prescription based sterilization procedures for women with reproductive capacity;

(iv) Certain preventive medications including, but not limited to, aspirin, fluoride, and iron, and medications for tobacco use cessation, according to, and as recommended by, the United States Preventive Services Task Force, when obtained with a prescription order;

(v) Medical foods to treat inborn errors of metabolism.

(b) A health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan as prescription drug or pharmacy benefit services, and should not be included in establishing actuarial value for this category:

(i) Insulin pumps and their supplies, which are classified to and covered under the rehabilitation and habilitation services category;

(ii) Weight loss drugs.

(c) The base-benchmark plan establishes specific limitations on services classified to the prescription drug services category that conflict with state or federal law as of January 1, 2014. The state EHB-benchmark plan requirements for these services are:

(i) Preauthorized tobacco cessation products must be covered consistent with state and federal law;

(ii) Medication prescribed as part of a clinical trial, which is not the subject of the trial, must be covered in a manner consistent with state and federal law.

(d) The base-benchmark plan's visit limitations on services in this category include:

(i) Prescriptions for self-administrable injectable medication are limited to thirty day supplies at a time, other than insulin, which may be offered with more than a thirty day supply. This limitation is a floor, and an issuer may permit supplies greater than thirty days as part of its EHB-benchmark plan;

(ii) Teaching doses of self-administrable injectable medications are limited to three doses per medication per lifetime.

(e) State benefit requirements classified to this category include:

(i) Medical foods to treat phenylketonuria (RCW 48.44.440, 48.46.510, 48.20.520, and 48.21.300);

(ii) Diabetes supplies ordered by the physician (RCW 48.44.315, 48.46.272, 48.20.391, and 48.21.143). Inclusion of this mandate does not bar issuer variation in diabetic supply manufacturers under its drug formulary;

(iii) Mental health prescription drugs to the extent not covered under the hospitalization or skilled nursing facility services, or mental health and substance use disorders categories (RCW 48.44.341, 48.46.291, 48.20.580, and 48.21.241).

(f) An issuer's formulary is part of the prescription drug services category. The formulary filed with the commissioner must be substantially equal to the benchmark base plan formulary, both as to U.S. Pharmacopeia therapeutic category and classes covered and number of drugs in each class. If the benchmark formulary does not cover at least one drug in a category or class, an issuer must include at least one drug in the uncovered category or class.

(i) An issuer must file its formulary quarterly, following the filing instructions defined by the insurance commissioner in WAC 284-44A-040, 284-46A-050, and 284-58-025.

(ii) An issuer's formulary does not have to be substantially equal to the base-benchmark plan formulary in terms of formulary placement.

(7) A health benefit plan must cover "rehabilitative and habilitative services."

(a) For purposes of determining a plan's actuarial value, an issuer must classify as rehabilitative services medically necessary services that help a person keep, restore or improve skills and function for daily living that have been lost or impaired because a person was sick, hurt or disabled, in a manner substantially equal to the base-benchmark plan.

(b) A health benefit plan must include the following services, which are specifically covered by the base-benchmark plan, and classify them as rehabilitative services:

(i) Cochlear implants;

(ii) In-patient rehabilitation facility and professional services delivered in those facilities;

(iii) Outpatient physical therapy, occupational therapy and speech therapy for rehabilitative purposes;

(iv) Braces, splints, prostheses, orthopedic appliances and orthotic devices, supplies or apparatuses used to support, align or correct deformities or to improve the function of moving parts;

(v) Durable medical equipment and mobility enhancing equipment used to serve a medical purpose, including sales tax.

(c) A health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan, and should not be included in establishing actuarial value.

(i) Off the shelf shoe inserts and orthopedic shoes;

(ii) Exercise equipment for medically necessary conditions;

(iii) Durable medical equipment that serves solely as a comfort or convenience item; and

(iv) Hearing aids other than cochlear implants.

(d) The base-benchmark plan does not cover certain federally required services under this category. A health benefit

plan must cover habilitative services, but these services are not specifically covered in the base-benchmark plan. Therefore, this category is supplemented. The state EHB-benchmark plan requirements for habilitative services are:

(i) For purposes of determining actuarial value, the issuer must classify as habilitative services the range of medically necessary health care services and health care devices designed to assist an individual in partially or fully developing, keeping and learning age appropriate skills and functioning, within the individual's environment, or to compensate for a person's progressive physical, cognitive, and emotional illness.

(ii) An issuer must establish limitations on habilitative services at a minimum on parity with those for rehabilitative services. A health benefit plan may include reference based limitations only if the limitations take into account the unique needs of the individual and target measurable, and specific treatment goals appropriate for the person's age, and physical and mental condition. When habilitative services are delivered to treat a mental health diagnosis categorized in the most recent version of the DSM, the mental health parity requirements apply and supercede any rehabilitative services parity limitations permitted by this subsection.

(iii) A health benefit plan must not limit an enrollee's access to covered services on the basis that some, but not all of the services in a plan of treatment are provided by a public or government program.

(iv) An issuer may establish utilization review guidelines and practice guidelines for habilitative services that are recognized by the medical community as efficacious. The guidelines must not require a return to a prior level of function.

(v) Habilitative health care devices may be limited to those that require FDA approval and a prescription to dispense the device.

(vi) Consistent with the standards in this subsection, speech therapy, occupational therapy, physical therapy, and aural therapy are habilitative services. Day habilitation services designed to provide training, structured activities and specialized assistance to adults, chore services to assist with basic needs, vocational or custodial services are not classified as habilitative services.

(vii) An issuer must not exclude coverage for habilitative services received at a school-based health care center unless the habilitative services and devices are delivered pursuant to federal Individuals with Disabilities Education Act of 2004 (IDEA) requirements pursuant to an individual educational plan (IEP).

(e) The base-benchmark plan's visit limitations on services in this category include:

(i) In-patient rehabilitation facility and professional services delivered in those facilities are limited to thirty days per calendar year;

(ii) Outpatient physical therapy, occupational therapy and speech therapy are limited to twenty-five outpatient visits per calendar year, on a combined basis, for rehabilitative purposes.

(f) State benefit requirements covered under this category include:

(i) State sales tax for durable medical equipment;

(ii) Coverage of diabetic supplies and equipment (RCW 48.44.315, 48.46.272, 48.20.391, and 48.21.143).

(g) An issuer must not classify services to the rehabilitative services category if the classification results in a limitation of coverage for therapy that is medically necessary for an enrollee's treatment for cancer, chronic pulmonary or respiratory disease, cardiac disease or other similar chronic conditions or diseases. For purposes of this subsection, an issuer must establish limitations on the number of visits and coverage of the rehabilitation therapy consistent with its medical necessity and utilization review guidelines for medical/surgical benefits. Examples of these are, but are not limited to, breast cancer rehabilitation therapy, respiratory therapy, and cardiac rehabilitation therapy. Such services may be classified to the ambulatory patient or hospitalization services categories for purposes of determining actuarial value.

(8) A health plan must cover "laboratory services." For purposes of determining actuarial value, an issuer must classify as laboratory services medically necessary laboratory services and testing, including those performed by a licensed provider to determine differential diagnoses, conditions, outcomes and treatment, and including blood and blood services, storage and procurement, and ultrasound, X ray, MRI, CAT scan and PET scans, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must include the following services, which are specifically covered by the base-benchmark plan, and classify them as laboratory services:

- (i) Laboratory services, supplies and tests, including genetic testing;
- (ii) Radiology services, including X ray, MRI, CAT scan, PET scan, and ultrasound imaging;
- (iii) Blood, blood products, and blood storage, including the services and supplies of a blood bank.

(b) A health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. These services are specifically excluded by the base-benchmark plan, and should not be included in establishing actuarial value: An enrollee's not medically indicated procurement and storage of personal blood supplies provided by a member of the enrollee's family.

(9) A health plan must cover "preventive and wellness services, including chronic disease management." For purposes of determining a plan's actuarial value, an issuer must classify as preventative and wellness services, including chronic disease management, services that identify or prevent the onset or worsening of disease or disease conditions, illness or injury, often asymptomatic, services that assist in the multidisciplinary management and treatment of chronic diseases, services of particular preventive or early identification of disease or illness of value to specific populations, such as women, children and seniors, in a manner substantially equal to the base-benchmark plan.

(a) A health benefit plan must include the following services as preventive and wellness services:

- (i) Immunizations recommended by the Centers for Disease Control's Advisory Committee on Immunization Practices;
- (ii) Screening and tests with A and B recommendations by the U.S. Preventive Services Task Force for prevention

and chronic care, for recommendations issued on or before the applicable plan year;

(ii) Services, tests and screening contained in the U.S. Health Resources and Services Administration Bright Futures guidelines as set forth by the American Academy of Pediatricians;

(iv) Services, tests, screening and supplies recommended in the U.S. Health Resources and Services Administration women's preventive and wellness services guidelines;

(v) Chronic disease management services; and

(vi) Wellness services.

(b) The base-benchmark plan does not exclude any services that could reasonably be classified to this category.

(c) The base-benchmark plan does not apply any limitations or scope restrictions that conflict with state or federal law as of January 1, 2014.

(d) The base-benchmark plan does not establish visit limitations on services in this category.

(e) State benefit requirements classified in this category are:

(i) Colorectal cancer screening as set forth in RCW 48.43.043;

(ii) Mammogram services, both diagnostic and screening (RCW 48.21.225, 48.44.325, and 48.46.275);

(iii) Prostate cancer screening (RCW 48.20.392, 48.21.227, 48.44.327, and 48.46.277).

(10) State benefit requirements that are limited to those receiving pediatric services, but that are classified to other categories for purposes of determining actuarial value, are:

(a) Neurodevelopmental therapy to age six, consisting of physical, occupational and speech therapy and maintenance to restore or improve function based on developmental delay, which cannot be combined with rehabilitative services for the same condition (RCW 48.44.450, 48.46.520, and 48.21.310 (may be classified to ambulatory patient services or mental health and substance abuse disorder including behavioral health categories));

(b) Congenital anomalies in newborn and dependent children (RCW 48.20.430, 48.21.155, 48.44.212, and 48.46.250 (may be classified to hospitalization, ambulatory patient services or maternity and newborn categories)).

## NEW SECTION

**WAC 284-43-879 Essential health benefit category—Pediatric oral services.** A health plan must include "pediatric oral services" in its essential health benefits package. The base-benchmark plan covers pediatric services for the categories set forth in WAC 284-43-878 but does not include pediatric oral services. Pediatric services are services delivered to those under nineteen.

(1) A health plan must cover pediatric oral services as an embedded set of services. If a health plan is certified by the health benefit exchange as a qualified health plan, this requirement is met for that benefit year for the certified plan if a stand-alone dental plan that covers pediatric oral services as set forth in the EHB-benchmark plan is offered in the health benefit exchange for that benefit year.

(2) The requirements of WAC 284-43-878 and 284-43-880 are not applicable to the stand-alone dental plan. A

health benefit plan may, but is not required to, include the following services as part of the EHB-benchmark package. The supplemental base-benchmark plan specifically excludes oral implants, and an issuer should not include benefits for oral implants in establishing a plan's actuarial value.

(3) The base-benchmark plan covers pediatric services for the categories set forth in WAC 284-43-878, but does not include pediatric oral services. Because the base-benchmark plan does not include pediatric oral benefits, the state EHB-benchmark plan requirements for pediatric oral benefits must be offered and classified consistent with the designated supplemental base-benchmark plan for pediatric oral services, the Washington state CHIP plan. The oral benefits included in the "pediatric" category are:

- (a) Diagnostic services;
  - (b) Preventive care;
  - (c) Restorative care;
  - (d) Oral surgery and reconstruction to the extent not covered under the hospitalization benefit;
  - (e) Endodontic treatment;
  - (f) Periodontics;
  - (g) Crown and fixed bridge;
  - (h) Removable prosthetics; and
  - (i) Medically necessary orthodontia.
- (6) The supplemental base-benchmark plan's visit limitations on services in this category are:
- (a) Diagnostic exams once every six months, beginning before one year of age;
  - (b) Bitewing X ray once a year;
  - (c) Panoramic X rays once every three years;
  - (d) Prophylaxis every six months beginning at age six months;
  - (e) Fluoride three times in a twelve-month period for ages six and under; two times in a twelve-month period for ages seven and older; three times in a twelve-month period during orthodontic treatment; sealant once every three years for occlusal surfaces only; oral hygiene instruction two times in twelve months for ages eight and under if not billed on the same day as a prophylaxis treatment;
  - (f) Every two years for the same restoration (fillings);
  - (g) Frenulectomy or frenuloplasty covered for ages six and under without prior authorization;
  - (h) Root canals on baby primary posterior teeth only;
  - (i) Root canals on permanent anterior, bicuspid and molar teeth, excluding teeth 1, 16, 17 and 32;
  - (j) Periodontal scaling and root planing once per quadrant in a two-year period for ages thirteen and older, with prior authorization;
  - (k) Periodontal maintenance once per quadrant in a twelve-month period for ages thirteen and older, with prior authorization;
  - (l) Stainless steel crowns for primary anterior teeth once every three years; if age thirteen and older with prior authorization;
  - (m) Stainless steel crowns for permanent posterior teeth once every three years;
  - (n) Metal/porcelain crowns and porcelain crowns on anterior teeth only, with prior authorization;
  - (o) Space maintainers for missing primary molars A, B, I, J, K, L, S, and T;

(p) One resin based partial denture, replaced once within a three-year period;

(q) One complete denture upper and lower, and one replacement denture per lifetime after at least five years from the seat date;

(r) Rebasing and relining of complete or partial dentures once in a three-year period, if performed at least six months from the seating date.

**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.

#### NEW SECTION

**WAC 284-43-880 Pediatric vision services.** A health plan must include "pediatric vision services" in its essential health benefits package. The base-benchmark plan covers pediatric services for the categories set forth in WAC 284-43-878 (1) through (9), but does not include pediatric vision services. Pediatric services are services delivered to enrollees under age nineteen.

(1) A health plan must cover pediatric vision services either as an embedded set of services.

(2) The state EHB-benchmark plan requirements for pediatric vision benefits must be offered at a substantially equal level and classified consistent with the designated supplemental base-benchmark plan for pediatric vision services, the Federal Employees Vision Plan with the largest enrollment and published by the U.S. Department of Health and Human Services at [www.cciioo.cms.gov](http://www.cciioo.cms.gov) on July 2, 2012.

(a) The vision services included in the "pediatric" category are:

(i) Routine vision screening and eye exam for children, including dilation if professionally indicated, and with refraction every calendar year;

(ii) One pair of prescription lenses or contacts every calendar year, including polycarbonate lenses and scratch resistant coating. Lenses may include single vision, conventional lined bifocal or conventional lined trifocal, or lenticular;

(iii) One pair of frames every calendar year. An issuer may establish networks or tiers of frames within their plan design as long as there is a base set of frames to choose from available without cost sharing;

(iv) Contact lenses covered once every calendar year in lieu of the lenses and frame benefits. The benefit includes the evaluation, fitting and follow-up care relating to contact lenses. If determined to be medically necessary, contact lenses must be covered in lieu of eyeglasses at a minimum for the treatment of the following conditions: Keratoconus, pathological myopia, aphakia, anisometropia, aniseikonia, aniridia, corneal disorders, post-traumatic disorders, irregular astigmatism.

(v) Low vision optical devices including low vision services, training and instruction to maximize remaining usable vision as follows:

(A) One comprehensive low vision evaluation every five years;

(B) High power spectacles, magnifiers and telescopes as medically necessary, with reasonable limitations permitted; and

(C) Follow-up care of four visits in any five year period, if preauthorized.

(b) The pediatric vision benefits specifically exclude:

(i) Visual therapy;

(ii) Two pairs of glasses may not be ordered in lieu of bifocals;

(iii) Medical treatment of eye disease or injury, which is otherwise covered under the medical/surgical benefits of the plan;

(iv) Nonprescription (plano) lenses;

(v) Prosthetic devices and services, which are otherwise covered under the rehabilitative and habilitative benefit category.

#### NEW SECTION

**WAC 284-43-882 Plan cost-sharing and benefit substitutions and limitations.** (1) A health benefit plan must not apply cost-sharing requirements to Native Americans purchasing a health benefit plan through the exchange, whose incomes are at or below three hundred percent of federal poverty level.

(2) A small group health benefit plan that includes the essential health benefits package may not impose annual cost-sharing or deductibles that exceed the maximum annual amounts that apply to high deductible plans linked to health savings accounts, as set forth in the most recent version of IRS Publication 969, pursuant to Section 106 (c)(2) of the Internal Revenue Code of 1986, and Section 1302 (c)(2) of PPACA.

(3) An issuer may use reasonable medical management techniques to control costs, including promoting the use of appropriate, high value preventive services, providers and settings. An issuer's policies must permit waiver of an otherwise applicable copayment for the service that is tied to one setting but not the preferred high-value setting, if the enrollee's provider determines that it would be medically inappropriate to have the service provided in the lower-value setting. A carrier may still apply applicable in-network requirements.

(4) An issuer may not require cost-sharing for preventive services delivered by network providers, specifically related to those with an A or B rating in the most recent recommendations of the United States Preventive Services Task Force, women's preventive health care services recommended by the U.S. Health Resources and Services Administration (HRSA) and HRSA Bright Futures guideline designated pediatric services. An issuer must post on its web site a list of the specific preventive and wellness services mandated by PPACA that it covers.

(5) An issuer must establish cost-sharing levels, structures or tiers for specific essential health benefit categories that are not discriminatory. "Cost-sharing" has the same meaning as set forth in RCW 48.43.005 and WAC 284-43-130(8).

(a) An issuer must not apply cost-sharing or coverage limitations differently to enrollees with chronic disease or complex underlying medical conditions than to other enrollees, unless the difference provides the enrollee with access to care and treatment commensurate with the enrollee's specific

medical needs without imposing a surcharge or other additional cost to the enrollee beyond normal cost-sharing requirements under the plan.

(b) An issuer must not establish a different cost-sharing structure for a specific benefit or tier for a benefit than is applied to the plan in general if the sole type of enrollee who would access that benefit or benefit tier is one with a chronic illness or medical condition.

#### NEW SECTION

**WAC 284-43-885 Representations regarding coverage.** A health plan issuer must not indicate or imply that a health benefit plan covers essential health benefits unless the plan, policy, or contract covers the essential health benefits in compliance with this subchapter. This requirement applies to any health benefit plan offered on or off the Washington health benefit exchange.

#### **WSR 13-07-067**

#### **PROPOSED RULES**

#### **OFFICE OF**

#### **INSURANCE COMMISSIONER**

[Insurance Commissioner Matter No. R 2013-01—Filed March 19, 2013, 2:12 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-02-095.

Title of Rule and Other Identifying Information: Geographic rating area designation.

Hearing Location(s): Training Room, T-120, 5000 Capitol Way South, Tumwater, WA, on April 23, 2013, at 2:00 p.m.

Date of Intended Adoption: April 25, 2013.

Submit Written Comments to: Meg L. Jones, P.O. Box 40258, Olympia, WA 98504, e-mail rulescoordinator@oic.wa.gov, fax (360) 586-3109, by April 22, 2013.

Assistance for Persons with Disabilities: Contact Lori [Lorie] Villaflores by April 22, 2013, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules establish the geographic rating areas that nongrandfathered individual and small group plans would be required to use in adjusting their premium rates with a geographic factor, for plans offered beginning January 1, 2014.

Reasons Supporting Proposal: If the state does not designate geographic rating areas, the United States Department of Health and Human Services (HHS) stated in 2012 proposed rules (proposed 45 C.F.R. 147.102 (b)(1)) that it intends to do so. After a review of cost variance and current practices by Washington domestic carriers, the commissioner determined that a determination of geographic rating areas, based on county and organized in comparison to an index rating county (King County) merited proposal as the state's designation of geographic rating areas. Carriers have advised the commissioner that one geographic area would negatively

affect rates; this proposed rule making focuses on selecting the geographic rating areas for Washington.

Statutory Authority for Adoption: RCW 48.02.060, 48.44.050, 48.46.200.

Statute Being Implemented: RCW 48.20.025, 48.20.-028, 48.21.045, 48.44.017, 48.44.023, 48.46.062, 48.46.066, 45 C.F.R. 147.102.

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

Name of Proponent: Office of the insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Meg Jones, 302 Sid Snyder Boulevard South, Olympia, WA 98504, (360) 725-7170; Implementation: Beth Berendt, 5000 Capitol Boulevard South, Olympia, WA 98504, (360) 725-7117; and Enforcement: Carol Sureau, 5000 Capitol Boulevard South, Olympia, WA 98504, (360) 725-7050.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The entities affected are not small businesses, per the definitions in chapter 19.85 RCW.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Meg Jones, 302 Sid Snyder Boulevard, Olympia, WA 98504, phone (360) 725-7170, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

March 19, 2013

Mike Kreidler  
Insurance Commissioner

#### NEW SECTION

**WAC 284-170-250 Geographic rating area factor development.** (1) For nongrandfathered individual or small group health plans offered, issued or renewed on or after January 1, 2014, if an issuer elects to adjust its premium rates based on geographic area, the issuer must use the geographic rating areas designated in WAC 284-170-252.

(2) The premium ratio for the highest cost geographic rating area, when compared to the lowest cost geographic rating area, must not be more than 1.15.

(a) King County is the index geographic rating area for purposes of calculating the premium ratio. The geographic rating area factor for the index area must be set at 1.00.

(b) A health-status related factor may not be used to establish a rating factor for a geographic rating area. Health factor means any of the following:

- (i) Health status of enrollees or the population in an area;
- (ii) Medical condition of enrollees or the population in an area, including both physical and mental illnesses;
- (iii) Claims experience;
- (iv) Health services utilization in the area;
- (v) Medical history of enrollees or the population in an area;
- (vi) Genetic information of enrollees or the population in an area;
- (vii) Disability status of enrollees or the population in an area;
- (viii) Other evidence of insurability applicable to the area.

(3) Assignment of a factor to a geographic rating area must be actuarially sound and based on provider reimbursement differences. An issuer must fully document the basis for the assigned rating factors in the actuarial memo submitted with a rate filing.

(4) The geographic rating area factors must be applied uniformly to individuals or small groups applying for or receiving coverage from the issuer.

(5) For out-of-state enrollees covered under a health benefit plan issued to a Washington resident, an issuer must apply the geographic rating area factor based on the primary subscriber's Washington residence. For out-of-state enrollees who are covered under a health benefit plan issued through an employer whose primary place of business is Washington, an issuer must apply the geographic rating area factor based on the employer's primary place of business.

(6) This section does not apply to stand alone dental plans offered on the Washington health benefit exchange.

#### NEW SECTION

**WAC 284-170-252 Geographic rating area designation.** (1) The following geographic rating areas are designated for Washington state for nongrandfathered individual and small group plans:

Area 1: Index geographic rating area: King County.

Area 2: Clallam, Cowlitz, Grays Harbor, Island, Jefferson, Mason, Lewis, Kitsap, Pacific, Pierce, San Juan, Skagit, Snohomish, Thurston, Wahkiakum, and Whatcom counties.

Area 3: Clark, Klickitat, and Skamania counties.

Area 4: Ferry, Lincoln, Pend Oreille, Spokane, and Stevens counties.

Area 5: Adams, Asotin, Benton, Chelan, Columbia, Douglas, Franklin, Garfield, Grant, Kittitas, Okanogan, Walla Walla, Whitman, and Yakima counties.

(2) The commissioner will review the geographic rating area designation in this section not more frequently than every three years, beginning January 31, 2016. The commissioner will publish changes in the geographic rating area designation within sixty days of the review date.

#### **WSR 13-07-068**

#### **PROPOSED RULES**

#### **DEPARTMENT OF**

#### **SOCIAL AND HEALTH SERVICES**

(Aging and Disability Services Administration)

(Division of Behavioral Health and Recovery)

[Filed March 20, 2013, 8:38 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-02-084.

Title of Rule and Other Identifying Information: Amending WAC 388-865-0400 Community support service providers, 388-865-0405 Competency requirements for staff, 388-865-0420 Intake evaluation, 388-865-0425 Individual service plan and 388-865-0460 Counseling and psychother-

apy services—Additional standards; and new section WAC 388-865-0469 Applied behavior analysis (ABA) services.

Hearing Location(s): Office Building 2, DSHS Headquarters, 1115 Washington, Olympia, WA 98504 (public parking at 11th and Jefferson. A map is available at <http://www1.dshs.wa.gov/msa/rpau/RPAU-OB-2directions.html>), on April 23, 2013, at 10:00 a.m.

Date of Intended Adoption: Not earlier than April 24, 2013.

Submit Written Comments to: DSHS Rules Coordinator, P.O. Box 45850, Olympia, WA 98504, e-mail DSHS RPAURulesCoordinator@dshs.wa.gov, fax (360) 664-6185, by 5 p.m. on April 23, 2013.

Assistance for Persons with Disabilities: Contact Jennisha Johnson, DSHS rules consultant, by April 9, 2013, TTY (360) 664-6178 or (360) 664-6094 or by e-mail at jennisha.johnson@dshs.wa.gov.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: These rules implement, in part, a settlement agreement between *Washington Autism Alliance and Advocacy, et al. v. Douglas Porter*, U.S. District Court, Western District of Washington, Case No. 2:12-cv-0072-RAJ. The rules provide minimum standards for agencies to obtain and maintain licensure from the department of social and health services (DSHS) so that licensed agencies may contract with the health care authority (HCA) to deliver ABA services to eligible individuals. HCA is also adopting rules to implement this settlement agreement.

Reasons Supporting Proposal: HCA and DSHS are concurrently adopting rules to meet the requirements of the settlement agreement which requires HCA to provide a coverage benefit to assist children with autism spectrum disorders and DSHS to establish minimum licensing standards in rule in order for community mental health agencies to deliver ABA services.

Statutory Authority for Adoption: RCW 34.05.350, 43.20A.550, 71.24.035, 74.04.050.

Statute Being Implemented: RCW 34.05.350, 43.20A.550, 71.24.035, 74.04.050.

Rule is necessary because of state court decision, *Washington Autism Alliance and Advocacy, et al. v. Douglas Porter*, U.S. District Court, Western District of Washington, Case No. 2:12-cv-00742-RAJ.

Name of Proponent: DSHS, governmental.

Name of Agency Personnel Responsible for Drafting: Kathy Sayre, P.O. Box 45330, Olympia, WA 98504-5330, (360) 725-1342; Implementation and Enforcement: Pete Marburger, P.O. Box 45330, Olympia, WA 98504-5330, (360) 725-1513.

No small business economic impact statement has been prepared under chapter 19.85 RCW. These rules are required by *Washington Autism Alliance and Advocacy, et al. v. Douglas Porter*, U.S. District Court, Western District of Washington, Case No. 2:12-cv-00742-RAJ; therefore, pursuant to RCW 19.85.025(3) and 34.05.328 (5)(b)(v), a small business economic impact statement is not required.

A cost-benefit analysis is not required under RCW 34.05.328. Rules are exempt per RCW 34.05.328 (5)(b)(v),

rules the content of which is explicitly and specifically dictated by statute.

March 14, 2013  
Katherine I. Vasquez  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 05-17-156, filed 8/22/05, effective 9/22/05)

**WAC 388-865-0400 Community support service providers.** The ~~((mental health division))~~ department licenses and certifies community support service providers. To gain and maintain licensure or certification, a provider must meet applicable local, state and federal statutes and regulations as well as the requirements of WAC ~~((388-865-400 [388-865-0400]))~~ 388-865-0400 through ~~((388-865-450 [388-865-0450]))~~ 388-865-0450 as applicable to services offered. The license or certificate lists service components the provider is authorized to provide to publicly funded consumers and must be prominently posted in the provider reception area. In addition, the ~~((provider))~~ agency must meet minimum standards of the specific service components for which licensure is being sought:

- (1) Emergency crisis intervention services;
- (2) Case management services;
- (3) Psychiatric treatment, including medication supervision;
- (4) Behavioral counseling, and psychotherapy services;
- (5) Day treatment services;
- (6) Consumer employment services; ~~((and/or))~~
- (7) Peer support services; and/or
- (8) Applied behavior analysis (ABA) services.

AMENDATORY SECTION (Amending WSR 09-19-012, filed 9/3/09, effective 10/4/09)

**WAC 388-865-0405 Competency requirements for staff.** ~~((The licensed service provider))~~ An agency must ensure that staff members, including contracted staff members, are qualified for the position they hold and have the education, experience, or skills to perform the job requirements. The ~~((provider))~~ agency must maintain documentation that:

- (1) All staff members, including contracted staff members, have a current Washington state department of health license or certificate or registration as may be required for their position;
- (2) Washington state patrol background checks are conducted for employees in contact with consumers consistent with RCW 43.43.830;
- (3) Employed or contracted professional staff members required to serve children with autism spectrum disorders meet the professional staff requirements in WAC 388-865-0469(5);
- (4) Mental health services are provided by a mental health professional, or under the clinical supervision of a mental health professional;
- ~~((4))~~ (5) Staff performing mental health services (not including crisis telephone) must have access to consultation with a psychiatrist or a physician with at least one year's

experience in the direct treatment of persons who have a mental or emotional disorder;

~~((5))~~ (6) Mental health services to children, older adults, ethnic minorities or persons with disabilities must be provided by, under the supervision of, or with consultation from the appropriate mental health specialist(s) when the consumer:

- (a) Is a child as defined in WAC 388-865-0150;
  - (b) Is or becomes an older person as defined in WAC 388-865-0150;
  - (c) Is a member of a racial/ethnic group as defined in WAC 388-865-0105 and as reported:
    - (i) In the consumer's demographic data; or
    - (ii) By the consumer or others who provide active support to the consumer; or
    - (iii) Through other means.
  - (d) Is disabled as defined in WAC 388-865-0150 and as reported:
    - (i) In the consumer's demographic data; or
    - (ii) By the consumer or others who provide active support to the consumer; or
    - (iii) Through other means.
- ~~((6))~~ (7) Staff receive regular supervision and an annual performance evaluation; and
- ~~((7))~~ (8) An individualized annual training plan must be implemented for each direct service staff person and supervisor, to include at a minimum:
- (a) The skills he or she needs for his/her job description and the population served; and
  - (b) The requirements of RCW 71.05.720.

AMENDATORY SECTION (Amending WSR 10-09-061, filed 4/19/10, effective 5/20/10)

**WAC 388-865-0420 Intake evaluation.** (1) All individuals receiving community mental health outpatient services, with the exception of crisis, stabilization, and rehabilitation case management services, must have an intake evaluation. The purpose of an intake evaluation is to gather information to determine if a mental illness exists which is a covered diagnosis under Washington state's section 1915(b) capitated waiver program, and if there are medically necessary state plan services to address the individual's needs. (For a listing of the covered diagnoses and state plan services go to: [http://www.dshs.wa.gov/pdf/hrsa/mh/Waiver\\_2008\\_2010\\_PIHP\\_NEW\\_%200408\\_with\\_final\\_revisions.pdf](http://www.dshs.wa.gov/pdf/hrsa/mh/Waiver_2008_2010_PIHP_NEW_%200408_with_final_revisions.pdf))

- (2) The intake evaluation must:
- (a) Be provided by a mental health professional.
  - (b) Be initiated within ten working days from the date on which the individual or their parent or other legal representative requests services and completed within thirty working days of the initiation of the intake.
  - (c) Be culturally and age relevant.
  - (d) Document sufficient information to demonstrate ~~((medical necessity as defined in the state plan, and must))~~ and/or include:
    - (i) Medical necessity, as defined in WAC 388-865-0150;
    - (ii) Presenting problem(s) as described by the individual, including a review of any documentation of a mental health condition provided by the individual. It must be inclusive of

people who provide active support to the individual, if the individual so requests, or if the individual is under thirteen years of age;

- ~~((ii))~~ (iii) Current physical health status, including any medications the individual is taking;
- ~~((iii))~~ (iv) Current substance use and abuse and treatment status (GAIN-SS);
- ~~((iv))~~ (v) Sufficient clinical information to justify the provisional diagnosis using diagnostic and statistical manual (DSM IV TR) criteria, or its successor;
- ~~((v))~~ (vi) An identification of risk of harm to self and others, including suicide/homicide. Note: A referral for provision of emergency/crisis services, consistent with WAC 388-865-0452, must be made if indicated in the risk assessment;
- ~~((vi))~~ (vii) Whether they are under the supervision of the department of corrections; and
- ~~((vii))~~ (viii) A recommendation of a course of treatment.

AMENDATORY SECTION (Amending WSR 10-09-061, filed 4/19/10, effective 5/20/10)

**WAC 388-865-0425 Individual service plans.** ~~((The))~~ (1) A community mental health agency must:

- (a) Develop a consumer-driven, strength-based individual service plan that meets the individual's unique mental health needs.
- (b) Ensure an individualized applied behavior analysis (ABA) treatment plan for a child receiving ABA services meets the requirements in subsection (3) of this section and WAC 388-865-0469.
- (2) An ~~((The))~~ individual service plan must:
  - (a) Be developed in collaboration with the individual, or the individual's parent or other legal representative if applicable. ~~((The service plan must:))~~
  - ~~((b))~~ (b) Be initiated with at least one goal identified by the individual, or their parent or other legal representative if applicable, at the intake evaluation or the first session following the intake evaluation.
  - ~~((c))~~ (c) Be developed within thirty days from the first session following the intake evaluation.
  - ~~((d))~~ (d) Address age, cultural, or disability issues identified by the individual, or their parent or other legal representative if applicable, as relevant to treatment.
  - ~~((e))~~ (e) Include treatment goals or objectives that are measurable and that allow the provider and individual to evaluate progress toward the individual's identified recovery goals.
  - ~~((f))~~ (f) Be in language and terminology that is understandable to individuals and their family.
  - ~~((g))~~ (g) Identify medically necessary service modalities, mutually agreed upon by the individual and provider, for this treatment episode.
  - ~~((h))~~ (h) Demonstrate the individual's participation in the development of the individual service plan. Participation may be demonstrated by the individual's signature and/or quotes documented in the plan. Participation must include family or significant others as requested by the individual. If the provider developing the plan is not a mental health pro-

professional, the plan must also document approval by a mental health professional.

~~((8))~~ (i) Include documentation that the individual service plan was reviewed at least every one hundred eighty days. It should also be updated to reflect any changes in the individual's treatment needs or as requested by the individual, or their parent or other legal representative if applicable.

~~((9))~~ (j) With the individual's consent, or their parent or other legal representative if applicable, coordinate with any systems or organizations the individual identifies as being relevant to the individual's treatment. This includes coordination with any individualized family service plan (IFSP) when serving children ~~((under))~~ younger than age three ~~((years of age))~~.

~~((10))~~ (3) Beginning January 2, 2013, the health care authority will administer rules in Title 182 WAC for ABA services, including specific rules for an individualized ABA treatment plan. The individualized ABA treatment plan must, at a minimum:

(a) Be developed by a lead behavior analysis therapist (LBAT) who meets the LBAT requirements in WAC 388-865-0469(5);

(b) Identify the services to be delivered by a therapy assistant who meets the therapy assistant requirements in WAC 388-865-0469(5); and

(c) Meet the specific requirements of the health care authority in Title 182 WAC.

(4) If an individual disagrees with specific treatment recommendations or is denied a requested treatment service, they may pursue their rights under WAC 388-865-0255.

AMENDATORY SECTION (Amending WSR 01-12-047, filed 5/31/01, effective 7/1/01)

**WAC 388-865-0460 Behavioral, counseling, and psychotherapy services—Additional standards.** The licensed community support service provider for behavioral, counseling, and psychotherapy services must assure that all general minimum standards for community support are met.

#### NEW SECTION

**WAC 388-865-0469 Applied behavior analysis (ABA) services.** (1) Applied behavior analysis (ABA) services are intended to assist children with autism spectrum disorders and their families to improve the symptoms associated with autism spectrum disorders. This section contains the licensure, certification, and staffing requirements for agencies providing ABA services.

(2) Beginning January 2, 2013:

(a) An agency currently licensed by the department that meets the minimum standards in this section may deliver ABA services to eligible individuals.

(b) The health care authority (HCA):

(i) Administers rules in WAC 182-531-1410 for ABA services requirements, including:

(i) Program and clinical eligibility requirements;

(ii) Prior authorization requirements;

(iii) Specific ABA provider requirements;

(iv) Coverage requirements;

(v) Billing requirements; and

(vi) Requirements for:

(A) Referrals to Centers of Excellence (COE) for evaluations and orders to be performed by healthcare professionals licensed under chapters 18.71, 18.71A, 18.79, and 18.83;

(B) ABA assessments and ABA treatment plan development; and

(C) Delivery of ABA services.

(3) **Licensure requirements.**

(a) An agency not licensed by the department under this chapter must seek and obtain licensure from the department in order to provide ABA services. These requirements do not apply to COE defined in WAC 182-531-1410. The agency must:

(i) Submit an application to the department (see WAC 388-865-0470).

(ii) Pay the licensing application fee (see WAC 388-865-0103).

(iii) Meet the applicable agency requirements in WAC 388-865-0400.

(iv) Qualify for a provisional and full license as described in WAC 388-865-0472 (1) and (2).

(v) Comply with the applicable rules regarding licensure in WAC 388-865-0472 through 388-865-0482.

(vi) Meet the additional requirements in this section.

(b) An agency must have written policies and procedures to support and implement the requirements in this section.

(4) **Certification requirements.** An agency must be a department-licensed community mental health agency that is certified by the department to provide ABA services.

(5) **Staff requirements.** An agency must meet the applicable competency and documentation requirements in WAC 388-865-0405 for ensuring staff members are qualified for the positions they hold. Contracted professional staff must meet the same requirements as the agency's noncontracted professional staff.

(a) Lead behavior analysis therapist (LBAT). An agency must employ or contract with an LBAT. To qualify as an LBAT, an individual must meet the professional requirements in (i) through (iii) of this subsection:

(i) The individual must be one of the following:

(A) Licensed by the department of health (DOH) as a licensed health care professional; or

(B) An agency-affiliated counselor under RCW 18.19-210 who, in addition, meets the requirements of a mental health professional as defined in WAC 388-865-0150;

(ii) The individual must meet one of the following:

(A) Hold national certification as a board certified behavior analyst (BCBA); or

(B) Have two hundred forty hours of coursework related to behavior analysis and seven hundred fifty hours of supervised experience, or two years of practical experience in designing and implementing comprehensive ABA treatment plans.

(iii) The individual must have expertise in applying ABA principles to the treatment of autism spectrum disorders.

(b) **Therapy assistant.** An agency may choose to employ or contract with a therapy assistant. To qualify as a therapy assistant, an individual must meet the minimum professional requirements in (i) and (ii) of this section:

(i) The individual must be one of the following:

(A) Licensed by DOH as a licensed health care professional; or

(B) Credentialed as an agency affiliated counselor under chapter 18.19 RCW.

(ii) The individual must:

(A) Have sixty hours of training in ABA principles, techniques, and providing services to children with autism spectrum disorders; and

(B) Before providing services to individuals, be approved by the agency's supervising LBAT as having demonstrated competency in delivering ABA services.

(c) If the agency employs or contracts with a therapy assistant(s), the agency must ensure the LBAT:

(i) Supervises the therapy assistant in accordance with agency policies and procedures;

(ii) Completes a review of an individual's ABA treatment plan with the therapy assistant before services are provided;

(iii) Assures the therapy assistant delivers services according to the individual's ABA treatment plan; and

(iv) Meets twice each month with the therapy assistant and documents review and approval of the individual's progress with the ABA treatment plan.

(6) **Maintaining licensure.** To maintain department licensure to provide ABA services, an agency must:

(a) Continue to employ or contract with professional staff to meet the requirements in subsection (5) of this section. Contracted professional staff must meet the same requirements as the agency's noncontracted professional staff.

(b) Meet the following, as applicable to ABA services:

(i) Competency requirements for staff in WAC 388-865-0405, except that subsections (5) and (6) do not apply to ABA services.

(ii) Consumer rights requirements in WAC 388-865-0410, except that subsections (3)(m) and (3)(n) do not apply to ABA services.

(iii) Access to services requirements in WAC 388-865-0415.

(iv) Intake evaluation requirements in WAC 388-865-0420, except that subsections (1), (2)(d)(i), (2)(d)(iv), (2)(d)(v), and (2)(d)(vii) do not apply to ABA services.

(v) Individual service plan requirements in WAC 388-865-0425, except that subsections (1)(a), (2)(d), (2)(g), and (4) do not apply to ABA services.

(vi) Clinical records requirements in WAC 388-865-0430, except that subsections (7), (10), (11) and (12) do not apply to ABA services.

(vii) Clinical record access procedures and requirements in WAC 388-865-0435 and 388-865-0436.

(viii) Quality management process requirements in WAC 388-865-0450.

(ix) Provider requirements in WAC 388-865-0470, 388-865-0472, 388-865-0478, 388-865-0480, and 388-865-0482, if applicable to the ABA services provided.

(c) Meet one or more of the following:

(i) Case management services requirements in WAC 388-865-0456, except that:

(A) Subsection (6) does not apply to ABA services; and

(B) Subsection (7) does not apply to ABA services, except that the agency must maintain written procedures for home visits to be in compliance with RCW 71.05.710.

(ii) Psychiatric treatment, including the medication supervision—additional standards requirements in WAC 388-865-0458, if applicable to the ABA services provided.

(iii) Behavioral, counseling, and psychotherapy services—additional standards requirements in WAC 388-865-0460, if applicable to the ABA services provided.

(iv) Day treatment services—additional standards requirements in WAC 388-865-0462, if applicable to the ABA services provided.

**Reviser's note:** The typographical errors in 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 13-07-080

### PROPOSED RULES

### TRANSPORTATION COMMISSION

[Filed March 20, 2013, 10:51 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-123.

Title of Rule and Other Identifying Information: Tacoma Narrows Bridge (TNB) toll rate and policy setting.

Hearing Location(s): Gig Harbor Civic Center, 3510 Grandview Street, Gig Harbor, WA, on May 20, 2013, at 6:00 p.m.

Date of Intended Adoption: May 20, 2013.

Submit Written Comments to: Reema Griffith, P.O. Box 47308, Olympia, WA 9804-7308 [98504-7308], e-mail [transc@wstc.wa.gov](mailto:transc@wstc.wa.gov), fax (360) 705-6802, by May 13, 2013.

Assistance for Persons with Disabilities: Contact Reema Griffith by May 13, 2013, at (360) 705-6802.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The commission is required to establish toll rates and fees for the TNB that are adequate to cover debt, operations, insurance and maintenance costs. The purpose of the proposed rules is to amend WAC 468-270-070 establishing new toll rates on the TNB and WAC 468-270-030 and 468-270-300 renaming "Customer Initiated Payment" as "Short Term Account."

Reasons Supporting Proposal: State statute requires rates be sufficient to meet maintenance and operational costs, insurance costs, and make principal and interest payments on the debt. In order to meet the requirements in state law, TNB toll rates need to be adjusted.

Statutory Authority for Adoption: Chapter 47.46 RCW and RCW 47.56.165.

Statute Being Implemented: RCW 47.46.100.

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

Name of Proponent: Washington state transportation commission, governmental.

Name of Agency Personnel Responsible for Drafting: Reema Griffith, Olympia, Washington, (360) 705-7070; Implementation and Enforcement: Craig Stone, Seattle, Washington, (206) 464-1220.

No small business economic impact statement has been prepared under chapter 19.85 RCW. No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not apply to "business in an industry," as described in RCW 19.85.030 (1)(a), but rather the rules apply to vehicles using the TNB.

A cost-benefit analysis is not required under RCW 34.05.328. Pursuant to subsection (5) of RCW 34.05.328, RCW 34.05.328 does not apply to the transportation commission and it is not required to develop a cost-benefit analysis.

March 20, 2013  
Reema Griffith  
Executive Director

AMENDATORY SECTION (Amending WSR 11-04-007, filed 1/20/11, effective 12/3/11)

**WAC 468-270-030 Definitions. "Authorized emergency vehicle"** includes but is not limited to a vehicle of any fire department, police department, sheriff's office, coroner, prosecuting attorney, Washington state patrol, ambulance service, public or private or any other emergency vehicle as defined in RCW 46.04.040.

**"Bona fide emergency"** occurs when an authorized emergency vehicle, as defined herein, responds to or returns from an emergency call.

**"Cash customer"** means a toll customer who pays the toll on the Tacoma Narrows Bridge in cash.

**"Citizens advisory committee"** means the citizens committee established by RCW 47.46.090 that advises the transportation commission on Tacoma Narrows Bridge toll rates.

~~("Customer-Initiated Payment" means the method used to pay a photo toll when there is no regular toll account and the customer initiates payment no later than three days after the toll transaction.)~~

**"Department"** means the Washington state department of transportation (WSDOT).

**"Good To Go!™"** is the name of the department's toll collection system.

**"Good To Go!™ Pass"** means the transponder device used to pay a toll by a customer who has a prepaid toll account.

**"High-occupancy toll (HOT) lanes"** means one or more lanes of a highway that charges tolls as a means of regulating access to or the use of the lanes in order to maintain travel speed and reliability. HOT lane supporting facilities include, but are not limited to, approaches, enforcement areas, improvements, buildings, and equipment.

**"Pass"** see Good To Go!™ Pass.

**"Pay By Mail"** means the method used to pay a photo toll when a toll bill is mailed to the vehicle's registered owner.

**"Pay By Plate"** means the method used to pay a photo toll by a customer who has a prepaid toll account through the use of a photo toll system.

**"Photo toll"** means a charge associated with a particular vehicle that is identified by its license plate and includes Pay By Mail, Pay By Plate and Customer-Initiated Payment.

**"Short Term Account"** means the method used to pay a photo toll when there is no regular toll account and the customer initiates payment no later than three days after the toll transaction.

**"Toll account"** means a prepaid account that is linked to a Pass (transponder) or license plates in order to pay a toll by automatic debit.

**"Transponder (Pass)"** means a device attached to a toll customer's vehicle that automatically identifies the toll customer's vehicle as it passes through the toll facility.

**"Transportation commission"** means the Washington state transportation commission whose duties and composition are set out in chapter 47.01 RCW.

AMENDATORY SECTION (Amending WSR 12-12-036, filed 5/30/12, effective 7/1/12)

**WAC 468-270-070 What are the toll rates on the Tacoma Narrows Bridge?** Subject to the legislature's redelegation of authority, the toll charges for the Tacoma Narrows Bridge are shown in Tables 1 and 2.

**Table 1, Effective July 1, 2013**  
**Tacoma Narrows Bridge Toll Rates**

Vehicle Axles	Good to Go!™ Pass <sup>1</sup>	Cash <sup>1</sup>	Pay By Mail <sup>1</sup>	Pay by Plate <sup>(1)</sup> <sup>2</sup>	<del>((Customer-Initiated Payment<sup>2</sup>))</del> <u>Short Term Account<sup>3</sup></u>
2	\$((4.00)) 4.25	\$((5.00)) 5.25	\$((6.00)) 6.25	\$((4.25)) 4.50	\$((5.50)) 5.75
3	\$((6.00)) 6.40	\$((7.50)) 7.90	\$((9.00)) 9.40	\$((6.25)) 6.65	\$((8.50)) 8.90
4	\$((8.00)) 8.50	\$((10.00)) 10.50	\$((12.00)) 12.50	\$((8.25)) 8.75	\$((11.50)) 12.00
5	\$((10.00)) 10.65	\$((12.50)) 13.15	\$((15.00)) 15.65	\$((10.25)) 10.90	\$((14.50)) 15.15
6	\$((12.00)) 12.75	\$((15.00)) 15.75	\$((18.00)) 18.75	\$((12.25)) 13.00	\$((17.50)) 18.25

Notes: <sup>1</sup>The rate has been rounded to the nearest five cents, as needed.

<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!™ Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.

<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.

**Table 2. Effective July 1, 2014  
Tacoma Narrows Bridge Toll Rates**

<u>Vehicle Axles</u>	<u>Good to Go!™ Pass<sup>1</sup></u>	<u>Cash<sup>1</sup></u>	<u>Pay By Mail<sup>1</sup></u>	<u>Pay by Plate<sup>2</sup></u>	<u>Short Term Account<sup>3</sup></u>
<u>2</u>	<u>\$4.50</u>	<u>\$5.50</u>	<u>\$6.50</u>	<u>\$4.75</u>	<u>\$6.00</u>
<u>3</u>	<u>\$6.75</u>	<u>\$8.25</u>	<u>\$9.75</u>	<u>\$7.00</u>	<u>\$9.25</u>
<u>4</u>	<u>\$9.00</u>	<u>\$11.00</u>	<u>\$13.00</u>	<u>\$9.25</u>	<u>\$12.50</u>
<u>5</u>	<u>\$11.25</u>	<u>\$13.75</u>	<u>\$16.25</u>	<u>\$11.50</u>	<u>\$15.75</u>
<u>6</u>	<u>\$13.50</u>	<u>\$16.50</u>	<u>\$19.50</u>	<u>\$13.75</u>	<u>\$19.00</u>

Notes: <sup>1</sup>The rate has been rounded to the nearest five cents, as needed.

<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!™ Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.

<sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.

AMENDATORY SECTION (Amending WSR 11-04-007, filed 1/20/11, effective 12/3/11)

**WAC 468-270-300 What other fees and discounts may apply to toll customers?** The commission is authorized to adopt rules to assess administrative fees as appropriate for toll collection processes. Additionally, a toll customer may be required to pay fees set forth by state law for attempts to collect funds due to a state agency. The following table lists and explains the types and amount of administrative fees that a toll customer may be required to pay.

**Table ((7)) §  
Customer Fees and Discounts**

<b>Fee and Discount Type</b>	<b>When is the administrative fee charged?</b>	<b>What is the fee amount?</b>
Paper Statements and Reprinting Fee	Upon each mailing of a paper statement at the account holder's request.	\$0.50 per page (with a minimum fee of \$1.50)
Inactive Account Fee	After 24 months of no transactions on the account, this one-time fee will be assessed.	\$5.00
Reprocessing Fee	This fee will be assessed when the department sends a reminder notice of unpaid tolls. The reminder notice to pay may be a summary or itemization of amounts owed and included as part of a toll bill or in any other correspondence to collect tolls.	\$5.00 per reminder notice to pay unpaid tolls
Pay By Plate Fee	A customer who establishes a prepaid toll account but passes through a toll facility without a pass will be assessed this fee in addition to the Good To Go!™ Pass toll rate.	\$0.25 per transaction
<del>((Customer-Initiated Payment))</del> <u>Short Term Account</u>	A customer will receive a discount off the Pay By Mail toll rate, if the customer pays for the transaction not later than 72 hours after driving on the toll facility.	\$0.50 per transaction credit off the Pay By Mail toll rate

**WSR 13-07-081  
PROPOSED RULES  
TRANSPORTATION COMMISSION**

[Filed March 20, 2013, 10:51 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-03-122.

Title of Rule and Other Identifying Information: SR 520 toll rate setting.

Hearing Location(s): Port Townsend Council Chambers, 540 Water Street, Port Townsend, WA 98368, on May 22, 2013, at 9:00 a.m.

Date of Intended Adoption: May 22, 2013.

Submit Written Comments to: Reema Griffith, P.O. Box 47308, Olympia, WA 9804-7308 [98504-7308], e-mail [tranc@wstc.wa.gov](mailto:tranc@wstc.wa.gov), fax (360) 705-6802, by May 16, 2013.

Assistance for Persons with Disabilities: Contact Reema Griffith by May 16, 2013, at (360) 705-6802.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The commission must consider toll rates that will help maintain travel time, speed, and reliability on the SR 520 corridor and must set and adjust toll rates to generate revenue sufficient and necessary

to cover costs and obligations described in RCW 47.56.830 and 47.56.850.

Reasons Supporting Proposal: The commission is proposing a rate increase to ensure the statutory mandates are met and requirements contained in the SR 520 master bond resolution are satisfied. Chapter 468-270 WAC, adopted by the Washington state transportation commission on January 5, 2011, and filed under WSR 11-04-007, January 20, 2011, stated "Starting July 1, 2012, the toll rates will increase two and one-half percent annually, subject to review and potential adjustment by the commission, in order to generate toll revenue sufficient to meet the costs and obligations listed in RCW 47.56.830 through 47.56.850." This amendment updates the toll rate tables accordingly.

Statutory Authority for Adoption: Chapters 47.46 and 47.56 RCW.

Statute Being Implemented: RCW 47.56.850.

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

Name of Proponent: Washington state transportation commission, governmental.

Name of Agency Personnel Responsible for Drafting: Reema Griffith, Olympia, Washington, (360) 705-7070; Implementation and Enforcement: Craig Stone, Seattle, Washington, (206)464-1220.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not apply to "business in an industry," as described in RCW 19.85.030 (1)(a), but rather the rules apply to vehicles using the SR 520 Bridge.

A cost-benefit analysis is not required under RCW 34.05.328. Pursuant to subsection (5) of RCW 34.05.328, RCW 34.05.328 does not apply to the transportation commission and it is not required to develop a cost-benefit analysis.

March 20, 2013

Reema Griffith

Executive Director

**AMENDATORY SECTION** (Amending WSR 12-14-110, filed 7/3/12, effective 8/3/12)

**WAC 468-270-071 What are the toll rates on the SR 520 Bridge?** Tables ((2)) 3 through ((6)) 7 show the applicable toll rates by vehicle axles, day and time of travel, and method of payment.

**TABLE ((2)) 3  
SR 520 BRIDGE  
TWO-AXLE VEHICLE TOLL RATES**

<b>Mondays through Fridays</b>	<b>Good To Go!™ Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b>((Customer-Initiated- Payment<sup>3</sup>)) Short- Term Account<sup>3</sup></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 6 a.m.	\$((1.64)) 1.70	\$((3.18)) 3.25	\$((1.89)) 1.95	\$((2.68)) 2.75
6 a.m. to 7 a.m.	\$((2.87)) 2.95	\$((4.41)) 4.50	\$((3.12)) 3.20	\$((3.91)) 4.00
7 a.m. to 9 a.m.	\$((3.59)) 3.70	\$((5.13)) 5.25	\$((3.84)) 3.95	\$((4.63)) 4.75
9 a.m. to 10 a.m.	\$((2.87)) 2.95	\$((4.41)) 4.50	\$((3.12)) 3.20	\$((3.91)) 4.00
10 a.m. to 2 p.m.	\$((2.31)) 2.35	\$((3.84)) 3.95	\$((2.56)) 2.60	\$((3.34)) 3.45
2 p.m. to 3 p.m.	\$((2.87)) 2.95	\$((4.41)) 4.50	\$((3.12)) 3.20	\$((3.91)) 4.00
3 p.m. to 6 p.m.	\$((3.59)) 3.70	\$((5.13)) 5.25	\$((3.84)) 3.95	\$((4.63)) 4.75
6 p.m. to 7 p.m.	\$((2.87)) 2.95	\$((4.41)) 4.50	\$((3.12)) 3.20	\$((3.91)) 4.00
7 p.m. to 9 p.m.	\$((2.31)) 2.35	\$((3.84)) 3.95	\$((2.56)) 2.60	\$((3.34)) 3.45
9 p.m. to 11 p.m.	\$((1.64)) 1.70	\$((3.18)) 3.25	\$((1.89)) 1.95	\$((2.68)) 2.75
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

<b>Saturdays and Sundays<sup>(2)</sup> 4</b>	<b>Good To Go!<sup>TM</sup> Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated-Payment<sup>2</sup>)) Short-Term Account<sup>3</sup></del></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 8 a.m.	\$((-1.13)) <u>1.15</u>	\$((-2.67)) <u>2.75</u>	\$((-1.38)) <u>1.40</u>	\$((-2.17)) <u>2.25</u>
8 a.m. to 11 a.m.	\$((-1.69)) <u>1.75</u>	\$((-3.23)) <u>3.30</u>	\$((-1.94)) <u>2.00</u>	\$((-2.73)) <u>2.80</u>
11 a.m. to 6 p.m.	\$((-2.26)) <u>2.30</u>	\$((-3.79)) <u>3.90</u>	\$((-2.51)) <u>2.55</u>	\$((-3.29)) <u>3.40</u>
6 p.m. to 9 p.m.	\$((-1.69)) <u>1.75</u>	\$((-3.23)) <u>3.30</u>	\$((-1.94)) <u>2.00</u>	\$((-2.73)) <u>2.80</u>
9 p.m. to 11 p.m.	\$((-1.13)) <u>1.15</u>	\$((-2.67)) <u>2.75</u>	\$((-1.38)) <u>1.40</u>	\$((-2.17)) <u>2.25</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Notes: <sup>1</sup>The rate for electronic tolls has been rounded to the nearest five cents, as needed.  
<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!<sup>TM</sup> Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.  
<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.  
<sup>(2)</sup> <sup>4</sup>The weekend rates will be assessed for the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**TABLE (2) 4  
 SR 520 BRIDGE  
 THREE-AXLE VEHICLE TOLL RATES**

<b>Mondays through Fridays</b>	<b>Good To Go!<sup>TM</sup> Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated-Payment<sup>2</sup>)) Short-Term Account<sup>3</sup></del></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 6 a.m.	\$((-2.46)) <u>2.50</u>	\$((-4.77)) <u>4.90</u>	\$((-2.71)) <u>2.75</u>	\$((-4.27)) <u>4.40</u>
6 a.m. to 7 a.m.	\$((-4.31)) <u>4.40</u>	\$((-6.61)) <u>6.80</u>	\$((-4.56)) <u>4.65</u>	\$((-6.11)) <u>6.30</u>
7 a.m. to 9 a.m.	\$((-5.38)) <u>5.50</u>	\$((-7.69)) <u>7.90</u>	\$((-5.63)) <u>5.75</u>	\$((-7.19)) <u>7.40</u>
9 a.m. to 10 a.m.	\$((-4.31)) <u>4.40</u>	\$((-6.61)) <u>6.80</u>	\$((-4.56)) <u>4.65</u>	\$((-6.11)) <u>6.30</u>
10 a.m. to 2 p.m.	\$((-3.49)) <u>3.60</u>	\$((-5.79)) <u>5.95</u>	\$((-3.74)) <u>3.85</u>	\$((-5.29)) <u>5.45</u>
2 p.m. to 3 p.m.	\$((-4.31)) <u>4.40</u>	\$((-6.61)) <u>6.80</u>	\$((-4.56)) <u>4.65</u>	\$((-6.11)) <u>6.30</u>
3 p.m. to 6 p.m.	\$((-5.38)) <u>5.50</u>	\$((-7.69)) <u>7.90</u>	\$((-5.63)) <u>5.75</u>	\$((-7.19)) <u>7.40</u>
6 p.m. to 7 p.m.	\$((-4.31)) <u>4.40</u>	\$((-6.61)) <u>6.80</u>	\$((-4.56)) <u>4.65</u>	\$((-6.11)) <u>6.30</u>
7 p.m. to 9 p.m.	\$((-3.49)) <u>3.60</u>	\$((-5.79)) <u>5.95</u>	\$((-3.74)) <u>3.85</u>	\$((-5.29)) <u>5.45</u>
9 p.m. to 11 p.m.	\$((-2.46)) <u>2.50</u>	\$((-4.77)) <u>4.90</u>	\$((-2.71)) <u>2.75</u>	\$((-4.27)) <u>4.40</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

<b>Saturdays and Sundays<sup>(2)</sup> 4</b>	<b>Good To Go!<sup>TM</sup> Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated-Payment<sup>2</sup>)) Short-Term Account<sup>3</sup></del></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 8 a.m.	\$((-1.69)) <u>1.75</u>	\$((-4.00)) <u>4.10</u>	\$((-1.94)) <u>2.00</u>	\$((-3.50)) <u>3.60</u>
8 a.m. to 11 a.m.	\$((-2.56)) <u>2.60</u>	\$((-4.87)) <u>5.00</u>	\$((-2.81)) <u>2.85</u>	\$((-4.37)) <u>4.50</u>
11 a.m. to 6 p.m.	\$((-3.38)) <u>3.45</u>	\$((-5.69)) <u>5.85</u>	\$((-3.63)) <u>3.70</u>	\$((-5.19)) <u>5.35</u>
6 p.m. to 9 p.m.	\$((-2.56)) <u>2.60</u>	\$((-4.87)) <u>5.00</u>	\$((-2.81)) <u>2.85</u>	\$((-4.37)) <u>4.50</u>
9 p.m. to 11 p.m.	\$((-1.69)) <u>1.75</u>	\$((-4.00)) <u>4.10</u>	\$((-1.94)) <u>2.00</u>	\$((-3.50)) <u>3.60</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Notes: <sup>1</sup>The rate for electronic tolls has been rounded to the nearest five cents, as needed.

<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!<sup>TM</sup> Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.

<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.

<sup>(2)</sup> <sup>4</sup>The weekend rates will be assessed for the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**TABLE ((4)) 5  
SR 520 BRIDGE  
FOUR-AXLE VEHICLE TOLL RATES**

<b>Mondays through Fridays</b>	<b>Good To Go!<sup>TM</sup> Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated-Payment<sup>2</sup>)) Short-Term Account<sup>3</sup></del></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 6 a.m.	\$((-3.28)) <u>3.35</u>	\$((-6.36)) <u>6.50</u>	\$((-3.53)) <u>3.60</u>	\$((-5.86)) <u>6.00</u>
6 a.m. to 7 a.m.	\$((-5.74)) <u>5.90</u>	\$((-8.82)) <u>9.05</u>	\$((-5.99)) <u>6.15</u>	\$((-8.32)) <u>8.55</u>
7 a.m. to 9 a.m.	\$((-7.18)) <u>7.35</u>	\$((-10.25)) <u>10.50</u>	\$((-7.43)) <u>7.60</u>	\$((-9.75)) <u>10.00</u>
9 a.m. to 10 a.m.	\$((-5.74)) <u>5.90</u>	\$((-8.82)) <u>9.05</u>	\$((-5.99)) <u>6.15</u>	\$((-8.32)) <u>8.55</u>
10 a.m. to 2 p.m.	\$((-4.61)) <u>4.75</u>	\$((-7.69)) <u>7.90</u>	\$((-4.86)) <u>5.00</u>	\$((-7.19)) <u>7.40</u>
2 p.m. to 3 p.m.	\$((-5.74)) <u>5.90</u>	\$((-8.82)) <u>9.05</u>	\$((-5.99)) <u>6.15</u>	\$((-8.32)) <u>8.55</u>
3 p.m. to 6 p.m.	\$((-7.18)) <u>7.35</u>	\$((-10.25)) <u>10.50</u>	\$((-7.43)) <u>7.60</u>	\$((-9.75)) <u>10.00</u>
6 p.m. to 7 p.m.	\$((-5.74)) <u>5.90</u>	\$((-8.82)) <u>9.05</u>	\$((-5.99)) <u>6.15</u>	\$((-8.32)) <u>8.55</u>
7 p.m. to 9 p.m.	\$((-4.61)) <u>4.75</u>	\$((-7.69)) <u>7.90</u>	\$((-4.86)) <u>5.00</u>	\$((-7.19)) <u>7.40</u>
9 p.m. to 11 p.m.	\$((-3.28)) <u>3.35</u>	\$((-6.36)) <u>6.50</u>	\$((-3.53)) <u>3.60</u>	\$((-5.86)) <u>6.00</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

<b>Saturdays and Sundays<sup>(3)</sup> 4</b>	<b>Good To Go!™ Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated Payment<sup>2</sup>))</del> Short-Term Account<sup>3</sup></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 8 a.m.	<del>\$(2.26)</del> 2.30	<del>\$(5.33)</del> 5.45	<del>\$(2.51)</del> 2.55	<del>\$(4.83)</del> 4.95
8 a.m. to 11 a.m.	<del>\$(3.38)</del> 3.45	<del>\$(6.46)</del> 6.60	<del>\$(3.63)</del> 3.70	<del>\$(5.96)</del> 6.10
11 a.m. to 6 p.m.	<del>\$(4.51)</del> 4.60	<del>\$(7.59)</del> 7.80	<del>\$(4.76)</del> 4.85	<del>\$(7.09)</del> 7.30
6 p.m. to 9 p.m.	<del>\$(3.38)</del> 3.45	<del>\$(6.46)</del> 6.60	<del>\$(3.63)</del> 3.70	<del>\$(5.96)</del> 6.10
9 p.m. to 11 p.m.	<del>\$(2.26)</del> 2.30	<del>\$(5.33)</del> 5.45	<del>\$(2.51)</del> 2.55	<del>\$(4.83)</del> 4.95
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Notes: <sup>1</sup>The rate for electronic tolls has been rounded to the nearest five cents, as needed.

<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!™ Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.

<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.

<sup>(3)</sup> <sup>4</sup>The weekend rates will be assessed for the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**TABLE ((6)) 6  
SR 520 BRIDGE  
FIVE-AXLE VEHICLE TOLL RATES**

<b>Mondays through Fridays</b>	<b>Good To Go!™ Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated Payment<sup>2</sup>))</del> Short-Term Account<sup>3</sup></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 6 a.m.	<del>\$(4.10)</del> 4.20	<del>\$(7.94)</del> 8.15	<del>\$(4.35)</del> 4.45	<del>\$(7.44)</del> 7.65
6 a.m. to 7 a.m.	<del>\$(7.18)</del> 7.35	<del>\$(11.02)</del> 11.30	<del>\$(7.43)</del> 7.60	<del>\$(10.52)</del> 10.80
7 a.m. to 9 a.m.	<del>\$(8.97)</del> 9.20	<del>\$(12.81)</del> 13.15	<del>\$(9.22)</del> 9.45	<del>\$(12.31)</del> 12.65
9 a.m. to 10 a.m.	<del>\$(7.18)</del> 7.35	<del>\$(11.02)</del> 11.30	<del>\$(7.43)</del> 7.60	<del>\$(10.52)</del> 10.80
10 a.m. to 2 p.m.	<del>\$(5.79)</del> 5.95	<del>\$(9.64)</del> 9.90	<del>\$(6.04)</del> 6.20	<del>\$(9.14)</del> 9.40
2 p.m. to 3 p.m.	<del>\$(7.18)</del> 7.35	<del>\$(11.02)</del> 11.30	<del>\$(7.43)</del> 7.60	<del>\$(10.52)</del> 10.80
3 p.m. to 6 p.m.	<del>\$(8.97)</del> 9.20	<del>\$(12.81)</del> 13.15	<del>\$(9.22)</del> 9.45	<del>\$(12.31)</del> 12.65
6 p.m. to 7 p.m.	<del>\$(7.18)</del> 7.35	<del>\$(11.02)</del> 11.30	<del>\$(7.43)</del> 7.60	<del>\$(10.52)</del> 10.80
7 p.m. to 9 p.m.	<del>\$(5.79)</del> 5.95	<del>\$(9.64)</del> 9.90	<del>\$(6.04)</del> 6.20	<del>\$(9.14)</del> 9.40
9 p.m. to 11 p.m.	<del>\$(4.10)</del> 4.20	<del>\$(7.94)</del> 8.15	<del>\$(4.35)</del> 4.45	<del>\$(7.44)</del> 7.65
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

<b>Saturdays and Sundays<sup>(3)</sup> 4</b>	<b>Good To Go!™ Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated Payment<sup>2</sup>))</del> Short-Term Account<sup>3</sup></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 8 a.m.	\$((2.82)) <u>2.90</u>	\$((6.66)) <u>6.85</u>	\$((3.07)) <u>3.15</u>	\$((6.16)) <u>6.35</u>
8 a.m. to 11 a.m.	\$((4.25)) <u>4.35</u>	\$((8.10)) <u>8.30</u>	\$((4.50)) <u>4.60</u>	\$((7.60)) <u>7.80</u>
11 a.m. to 6 p.m.	\$((5.64)) <u>5.80</u>	\$((9.48)) <u>9.70</u>	\$((5.89)) <u>6.05</u>	\$((8.98)) <u>9.20</u>
6 p.m. to 9 p.m.	\$((4.25)) <u>4.35</u>	\$((8.10)) <u>8.30</u>	\$((4.50)) <u>4.60</u>	\$((7.60)) <u>7.80</u>
9 p.m. to 11 p.m.	\$((2.82)) <u>2.90</u>	\$((6.66)) <u>6.85</u>	\$((3.07)) <u>3.15</u>	\$((6.16)) <u>6.35</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Notes: <sup>1</sup>The rate for electronic tolls has been rounded to the nearest five cents, as needed.

<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!™ Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.

<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.

<sup>(3)</sup> <sup>4</sup>The weekend rates will be assessed for the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**TABLE ((6) 7  
SR 520 BRIDGE  
SIX-AXLE OR MORE VEHICLE TOLL RATES**

<b>Mondays through Fridays</b>	<b>Good To Go!™ Pass<sup>1</sup></b>	<b>Pay By Mail<sup>1</sup></b>	<b>Pay By Plate<sup>(4)</sup> 2</b>	<b><del>((Customer-Initiated Payment<sup>2</sup>))</del> Short-Term Account<sup>3</sup></b>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 6 a.m.	\$((4.92)) <u>5.05</u>	\$((9.53)) <u>9.75</u>	\$((5.17)) <u>5.30</u>	\$((9.03)) <u>9.25</u>
6 a.m. to 7 a.m.	\$((8.61)) <u>8.85</u>	\$((13.22)) <u>13.55</u>	\$((8.86)) <u>9.10</u>	\$((12.72)) <u>13.05</u>
7 a.m. to 9 a.m.	\$((10.76)) <u>11.05</u>	\$((15.38)) <u>15.75</u>	\$((11.01)) <u>11.30</u>	\$((14.88)) <u>15.25</u>
9 a.m. to 10 a.m.	\$((8.61)) <u>8.85</u>	\$((13.22)) <u>13.55</u>	\$((8.86)) <u>9.10</u>	\$((12.72)) <u>13.05</u>
10 a.m. to 2 p.m.	\$((6.92)) <u>7.10</u>	\$((11.53)) <u>11.80</u>	\$((7.17)) <u>7.35</u>	\$((11.03)) <u>11.30</u>
2 p.m. to 3 p.m.	\$((8.61)) <u>8.85</u>	\$((13.22)) <u>13.55</u>	\$((8.86)) <u>9.10</u>	\$((12.72)) <u>13.05</u>
3 p.m. to 6 p.m.	\$((10.76)) <u>11.05</u>	\$((15.38)) <u>15.75</u>	\$((11.01)) <u>11.30</u>	\$((14.88)) <u>15.25</u>
6 p.m. to 7 p.m.	\$((8.61)) <u>8.85</u>	\$((13.22)) <u>13.55</u>	\$((8.86)) <u>9.10</u>	\$((12.72)) <u>13.05</u>
7 p.m. to 9 p.m.	\$((6.92)) <u>7.10</u>	\$((11.53)) <u>11.80</u>	\$((7.17)) <u>7.35</u>	\$((11.03)) <u>11.30</u>
9 p.m. to 11 p.m.	\$((4.92)) <u>5.05</u>	\$((9.53)) <u>9.75</u>	\$((5.17)) <u>5.30</u>	\$((9.03)) <u>9.25</u>
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Saturdays and Sundays <sup>(2)</sup> 4	Good To Go! <sup>TM</sup> Pass <sup>1</sup>	Pay By Mail <sup>1</sup>	Pay By Plate <sup>(2)</sup> 2	((Customer Initiated Payment <sup>2</sup> )) Short-Term Account <sup>3</sup>
Midnight to 5 a.m.	\$0.00	\$0.00	\$0.00	\$0.00
5 a.m. to 8 a.m.	<del>\$(3.38)</del> 3.45	<del>\$(8.00)</del> 8.20	<del>\$(3.63)</del> 3.70	<del>\$(7.50)</del> 7.70
8 a.m. to 11 a.m.	<del>\$(5.07)</del> 5.20	<del>\$(9.69)</del> 9.95	<del>\$(5.32)</del> 5.45	<del>\$(9.19)</del> 9.45
11 a.m. to 6 p.m.	<del>\$(6.77)</del> 6.95	<del>\$(11.38)</del> 11.65	<del>\$(7.02)</del> 7.20	<del>\$(10.88)</del> 11.15
6 p.m. to 9 p.m.	<del>\$(5.07)</del> 5.20	<del>\$(9.69)</del> 9.95	<del>\$(5.32)</del> 5.45	<del>\$(9.19)</del> 9.45
9 p.m. to 11 p.m.	<del>\$(3.38)</del> 3.45	<del>\$(8.00)</del> 8.20	<del>\$(3.63)</del> 3.70	<del>\$(7.50)</del> 7.70
11 p.m. to 11:59 p.m.	\$0.00	\$0.00	\$0.00	\$0.00

Notes: <sup>1</sup>The rate for electronic tolls has been rounded to the nearest five cents, as needed.  
<sup>2</sup>For this type of payment method, the customer is charged the Good to Go!<sup>TM</sup> Pass toll rate plus a \$0.25 fee as provided in WAC 468-270-300.  
<sup>(2)</sup> <sup>3</sup>For this type of payment method, the customer is given a \$0.50 discount off the Pay By Mail toll rate as provided in WAC 468-270-300.  
<sup>(2)</sup> <sup>4</sup>The weekend rates will be assessed for the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**WSR 13-07-082**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**FINANCIAL INSTITUTIONS**  
 (Securities Division)  
 [Filed March 20, 2013, 11:09 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-07-089.

Title of Rule and Other Identifying Information: The securities division proposes to amend the investment adviser rules in chapter 460-24A WAC. The amendments would update various provisions of the investment adviser rules, including the rules regarding examination and registration requirements, financial reporting requirements, custody, performance compensation arrangements, books and records requirements, and unethical business practices. The amendments would add new rule sections addressing compliance policies and procedures, proxy voting, and advisory contracts. In addition, the amendments would create exemptions from registration for certain private fund and venture capital fund advisers. The amendments would repeal WAC 460-24A-058, which defines when an application is considered filed; and make additional updates, clarifications, and changes to the rules.

Hearing Location(s): Department of Financial Institutions (DFI), 150 Israel Road S.W., Tumwater, WA 98501, on May 21, 2013, at 1 p.m.

Date of Intended Adoption: May 22, 2013.

Submit Written Comments to: Jill Vallely, Associate General Counsel, Securities Division, P.O. Box 9033, Olym-

pia, WA 98507-9033, e-mail [jill.vallely@dfi.wa.gov](mailto:jill.vallely@dfi.wa.gov), fax (360) 704-7035, by May 13, 2013.

Assistance for Persons with Disabilities: Contact Carolyn Hawkey, P.O. Box 9033, Olympia, WA 98507, by May 13, 2013, TTY (360) 664-8126 or (360) 902-8760.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The securities division proposes to amend the rules in chapter 460-24A WAC in order to address changes in the federal law and updates to NASAA model rules, and to increase protections for the investing public who may use the services of investment advisers. The proposed rules would make the following changes:

- Amend the definitions section at WAC 460-24A-005;
- Create a new section at WAC 460-24A-035 which clarifies who is a client and specifies how to count clients for the purposes of determining who needs to register as an investment adviser under RCW 21.20.040(3);
- Update the examination and registration requirements at WAC 460-24A-050 to make them consistent with NASAA model rules;
- Amend the financial reporting requirements at WAC 460-24A-060 to require advisers who have custody to file an audited balance sheet with the securities division. In addition, advisers who have custody as defined by WAC 460-24A-005 (1)(a)(iii) and who comply with the safekeeping requirements in WAC 460-24A-107 (1)(b) by providing audited financial statements of the pooled investment vehicle must file those financial statements with the securities division;

- Create a new section at WAC 460-24A-071 which adds an exemption from investment adviser registration for advisers to qualified private funds (which does not apply to advisers exempt from federal registration under Section 3 (c)(1) of the Investment Advisers Act of 1940);
- Create a new section at WAC 460-24A-072 which adds an exemption from investment adviser registration for venture capital fund advisers;
- Create a new section at WAC 460-24A-080 which provides for the termination of pending applications where the applicants have taken no action for nine months;
- Amend the custody rules at WAC 460-24A-105, 460-24A-106, and 460-24A-107 to require certain written agreements and to clarify the requirements for account statements to pooled investment vehicles;
- Create a new section at WAC 460-24A-120 which requires investment advisers with more than one employee to adopt compliance policies and procedures reasonably designed to prevent violations of the Securities Act by the adviser and its supervised persons;
- Create a new section at WAC 460-24A-125 which requires investment advisers who vote client securities to adopt policies and procedures reasonably designed to ensure that the adviser votes in the best interest of the clients;
- Create a new section at WAC 460-24A-130 which clarifies the requirements for investment advisory contracts;
- Update the brochure rule at WAC 460-24A-145 to make it consistent with the NASAA model rule;
- Amend the performance compensation rule at WAC 460-24A-150 consistent with the NASAA model rule and the Securities and Exchange Commission's amended rule;
- Amend the books and records requirement at WAC 460-24A-200 to clarify additional record-keeping requirements;
- Amend the unethical business practices rule at WAC 460-24A-220 to specify additional unethical practices;
- Repeal WAC 460-24A-058, which defined when an application was considered filed; and
- Make additional updates, amendments, and clarifications.

Reasons Supporting Proposal: The proposed amendments should be adopted in order to reflect changes in federal law which impact the state regulation of investment advisers. The amendments will incorporate provisions from updated NASAA model rules which will help create uniformity among the states. In addition, the securities division believes the amendments should be adopted because they will provide increased protections for the investing public who use the services of investment advisers or invest in pooled investment vehicles managed by investment advisers.

Statutory Authority for Adoption: RCW 21.20.005, [21.20].020, [21.20].030, [21.20].040, [21.20].050,

[21.20].060, [21.20].070, [21.20].080, [21.20].090, [21.20].100, [21.20].330, [21.20].340, [21.20].450, and [21.20].702.

Statute Being Implemented: Chapter 21.20 RCW.

Rule is necessary because of federal law, Dodd-Frank Act enacted July 21, 2010, Public Law No. 111-203.

Name of Proponent: DFI, securities division, governmental.

Name of Agency Personnel Responsible for Drafting: Jill Valley, 150 Israel Road S.W., Tumwater, WA 98501, (360) 902-8760; Implementation: Scott Jarvis, Director, DFI, 150 Israel Road S.W., Tumwater, WA 98501, (360) 902-8760; and Enforcement: William Beatty, Director, Securities, 150 Israel Road S.W., Tumwater, WA 98501, (360) 902-8760.

A small business economic impact statement has been prepared under chapter 19.85 RCW.

#### Small Business Economic Impact Statement

See Reviser's note below.

A copy of the statement may be obtained by contacting Jill Valley, DFI, Securities Division, P.O. Box 9033, Olympia, WA 98507-9033, phone (360) 902-8760, fax (360) 704-7035, e-mail [jill.valley@dfi.wa.gov](mailto:jill.valley@dfi.wa.gov).

A cost-benefit analysis is not required under RCW 34.05.328. DFI is not one of the agencies listed in RCW 34.05.328.

March 21, 2013

Scott Jarvis

Director

**Reviser's note:** The material contained in this filing exceeded the page-count limitations of WAC 1-21-040 for appearance in this issue of the Register. It will appear in the 13-08 issue of the Register.