

WSR 21-12-082
PREPROPOSAL STATEMENT OF INQUIRY
DEPARTMENT OF
LABOR AND INDUSTRIES

[Filed June 1, 2021, 8:48 a.m.]

Subject of Possible Rule Making: COVID-19 related relief option, chapter 296-17A WAC, Classifications for Washington workers' compensation insurance, and chapter 296-17B WAC, Retrospective rating for workers' compensation insurance.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 51.18.010(2), 51.04.020.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: Data shows that the COVID-19 pandemic and resulting government required shutdowns disproportionately impacted employers who reported hours in forty-two risk classes thereby reducing the options to help workers return to work. This may lead to increased claim losses for businesses in the affected classes compared to other employers.

For affected retro participants who experience increased loss ratios, they may be subject to a negative bias resulting in their refunds being reduced or additional premium assessed. Conversely, the less affected retro participants may experience a positive bias whereby they may receive enhanced refunds that they would not have otherwise received but for the pandemic's adverse impact on their peers.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: Not applicable.

Process for Developing New Rule: The department of labor and industries (L&I) will solicit input from the business community by way of the internet. L&I will use input to formulate proposed changes to the existing rules and advise customers of future rule making by the internet.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Jessica Nau, Retrospective Rating Program Manager, P.O. Box 44180, Olympia, WA 98504-4180, phone 360-902-5694, fax 360-902-4258, email Jessica.Nau@Lni.wa.gov.

June 1, 2021
Joel Sacks
Director