

WSR 21-13-138
PREPROPOSAL STATEMENT OF INQUIRY
DEPARTMENT OF
LABOR AND INDUSTRIES

[Filed June 22, 2021, 11:00 a.m.]

Subject of Possible Rule Making: 2022 Industrial insurance premium rates. Chapter 296-17 WAC, General reporting rules, audit and recordkeeping, rates and rating system 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 51.16.035, 51.04.020(1), and 51.18.010.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The department of labor and industries (L&I) is required by law to establish and maintain a workers' compensation classification plan, and to set premium rates that are: (1) The lowest necessary to maintain actuarial solvency of the accident and medical aid funds; and (2) designed to attempt to limit fluctuations in premium rates. The plan must be consistent with recognized principles of insurance. L&I is also required by law to offer retrospective rating plans to employers as a further incentive to encourage workplace safety and prevent employee injury.

Rules concerning the nonimpact to employer experience rating for claim costs incurred due to a declared public health emergency will be reviewed.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: No other state, local, or federal agency regulates this subject.

Process for Developing New Rule: Premium rates for each classification are developed in part from the past loss experience of employers subject to the classification, changes in benefit levels mandated by law or court decisions, medical inflation, economic and business trends, and financial markets. L&I works with the workers' compensation advisory committee (WCAC) and retrospective rating advisory committee (RAC) as changes are developed. The public can participate in these discussions by attending the WCAC or RAC meetings.

A schedule of the WCAC meetings is available at www.lni.wa.gov/insurance/insurance-requirements/workers-compensation-advisory-committee#meeting-schedule.

A schedule of the RAC meetings is available at www.lni.wa.gov/insurance/rates-risk-classes/reducing-rates/retro-advisory-committee#schedule-of-meetings.

Employers covered by L&I will receive notice of the proposed changes and public hearings.

L&I is planning to hold formal public hearings in October and November, 2021 via Zoom.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Jo Anne Attwood, P.O. Box 44148, Olympia, WA 98504-4148, phone 360-902-4777, fax 360-902-4988, TTY 360-902-5797, email JoAnne.Attwood@Lni.wa.gov, website www.lni.wa.gov/rulemaking-activity/?query=premium.

June 22, 2021
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Director