

**WSR 23-17-063**  
**POLICY STATEMENT**  
**DEPARTMENT OF**  
**LABOR AND INDUSTRIES**  
[Filed August 14, 2023, 9:24 a.m.]

MEMORANDUM

Pursuant to RCW 34.05.230, the department of labor and industries' (L&I) insurance services division and the fraud prevention and labor standards division issued the following policy statements.

If you have any questions or need additional information, please contact Maggie Leland, rules coordinator, at Maggie.Leland@Lni.wa.gov, or 360-902-4504.

Policy: Insurance Services Policy 61.25.

Title: *Coverage for Consumer Directed Employer Program.*

Effective Date: September 1, 2023.

Description: The amended policy provides guidelines for how a person performing home care services under the consumer directed employer (CDE) program can ensure coverage under state fund workers' compensation. The consumer direct of Washington (CDWA) is Washington's CDE. As the CDE for Washington's department of social and health services, CDWA employs the state's 46,000 individual providers who provide in-home personal care and respite services.

The list of criteria for employees participating in the CDE home care program was reduced to one requirement in this policy update. The requirement explains that employees participating in the CDE home care program must be directly employed by ill, disabled, or vulnerable individuals.

This policy removes information regarding in-home caregivers who aren't members of the collective bargaining unit not being covered on the industrial insurance account. This was removed, as the requirement for an in-home worker to be a member of the collective bargaining unit is no longer applicable.

This policy also replaces an outdated classification number used to report employees working for CDEs with new classification number 6512.

Contact: Jordan Ely, 7273 Linderson Way, Mailstop 4270, Tumwater, WA 98501, 360-902-4616, Jordan.Ely@Lni.wa.gov.

Policy: Insurance Services Policy 63.06.

Title: *Entity Conversions.*

Effective Date: September 1, 2023.

Description: The amended [policy] will assist L&I's account managers who receive notification that a business entity converted from one entity type to another.

Entity conversion refers to a process when a business entity changes from one entity type to another within a state. Examples of different business entity types include: limited liability companies, corporations, general partnerships, sole proprietorships, joint ventures, associations, and estates.

The policy explains that entity conversions must be processed by the secretary of the state before L&I can convert the entity type for a business.

This updated policy removed a statement regarding entity conversion acts adopted in Washington and other states, as this information isn't crucial to understanding the conversion process for account managers. However, the policy retained information regarding the ability

of certain entities to convert directly from one entity type to another without changing a firm's obligations to third parties.

During each legislative session, the different types of business entities that may convert to a different entity type changes due to new or updated laws. This means that the listed entity types on the policy may be incorrect or outdated. This could lead to confusion for customers. Instead of listing each entity type, one of the updates to the policy includes simply providing information regarding the conversion process without listing the types of entities.

The final update to this policy includes removing language regarding the obligation of the secretary of state to recognize entity conversions without issuing a new unified business identifier (UBI) number, and instead puts the burden on L&I to recognize these entity conversions without issuing a new UBI number.

Contact: Jordan Ely, 7273 Linderson Way, Mailstop 4270, Tumwater, WA 98501, 360-902-4616, Jordan.Ely@Lni.wa.gov.

Policy: Fraud Prevention and Labor Standards Division Policy 91.55.

Title: *Ex Parte Communication During Field Audit.*

Effective Date: September 1, 2023.

Description: The policy was created in order to provide guidance for L&I field audit staff when communicating with employers that have legal representation.

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Rules Coordinator