
HOUSE BILL 3077

State of Washington

55th Legislature

1998 Regular Session

By Representative Koster

Read first time 01/28/98. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to premium rates for industrial insurance
2 classifications having discounted and nondiscounted rates; and amending
3 RCW 51.16.035.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 51.16.035 and 1989 c 49 s 1 are each amended to read
6 as follows:

7 The department shall classify all occupations or industries in
8 accordance with their degree of hazard and fix therefor basic rates of
9 premium which shall be the lowest necessary to maintain actuarial
10 solvency of the accident and medical aid funds in accordance with
11 recognized insurance principles. The department shall formulate and
12 adopt rules and regulations governing the method of premium calculation
13 and collection and providing for a rating system consistent with
14 recognized principles of workers' compensation insurance which shall be
15 designed to stimulate and encourage accident prevention and to
16 facilitate collection. The department may annually, or at such other
17 times as it deems necessary to maintain solvency of the funds, readjust
18 rates in accordance with the rating system to become effective on such
19 dates as the department may designate.

1 Whenever the department establishes a discounted and nondiscounted
2 rate for an occupation or industry, or readjusts such rates, the
3 nondiscounted basic rate of premium shall be fixed at the rate of
4 premium that is the lowest necessary to maintain actuarial solvency of
5 the accident and medical aid funds in accordance with recognized
6 insurance principles. The department shall provide a report to the
7 chairs of the senate and house of representatives committees on
8 commerce and labor, or their successor committees, written
9 justification, including actuarial information, for the discounted and
10 nondiscounted rates as fixed, within thirty days of the fixing or
11 readjustment of the rates. The department shall also provide in its
12 report its actuarial justification of the provision of a discount.
13 Within thirty days of the effective date of this section, the
14 department shall provide a report to the chairs covering all discounted
15 and nondiscounted rates adopted before the effective date of this
16 section.

17 The department may insure the workers' compensation obligations of
18 employers as a group if the following conditions are met:

19 (1) All the employers in the group are members of an organization
20 that has been in existence for at least two years;

21 (2) The organization was formed for a purpose other than that of
22 obtaining workers' compensation coverage;

23 (3) The occupations or industries of the employers in the
24 organization are substantially similar, taking into consideration the
25 nature of the services being performed by workers of such employers;
26 and

27 (4) The formation and operation of the group program in the
28 organization will substantially improve accident prevention and claim
29 management for the employers in the group.

30 In providing an employer group plan under this section, the
31 department may consider an employer group as a single employing entity
32 for purposes of dividends or premium discounts.

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