 1   On   page   4,   after   line   23,   insert   the   following:
 2   "(4)(a) Beginning in 2004, the workers' compensation advisory
 3 committee is authorized to contract for annual actuarial reviews of
 4 the Washington industrial insurance state fund. The committee shall
 5 determine the assistance that it needs in the process of contacting
 6 for the review.
 7   (b) The firm conducting the actuarial review must have
 8 experience in workers' compensation reserving and ratemaking and must
 9 maintain professionally recognized standards of limits for errors and
10 omission insurance.
11   (c) The actuarial review must include, but is not limited to,
12 an independent estimate of the loss reserves and an actuarial opinion
13 of the reasonableness of the department's calculation of its loss
14 reserving and ratemaking. Each review must include statements of
15 actuarial opinion signed by an actuary who has been designated as a
16 fellow of the casualty actuarial society. The state auditor may
17 consider the statements of actuarial opinion of the reasonableness of
18 loss reserving in any financial audit.
19   (d) The department shall cooperate in all respects with the
20 workers' compensation advisory committee and the firm conducting the
21 actuarial review and shall permit the firm full access to all
22 information necessary for a true and complete review.
23   (e) The costs of the actuarial review shall be paid by the
24 state fund.
25   (f)   Within three months of the end of the applicable fiscal
26 year, the report on the results of the actuarial review must be
27 provided to the workers' compensation advisory committee, the
28 governor, the leaders of the two largest caucuses and the appropriate
29 committees of the senate and the house of representatives, the state
30 auditor, the director of office of financial management, the director
31 of the department of labor and industries, and the attorney general.
32 The actuarial report shall be available for public inspection."

1   Renumber the sections consecutively and correct any internal
2   references accordingly.

« END ---