

SSB 6034 - S AMD 380
By Senator Parlette

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 51.16.035 and 1999 c 7 s 8 are each amended to read
4 as follows:

5 (1) The department shall classify all occupations or industries in
6 accordance with their degree of hazard and fix therefor basic rates of
7 premium which shall be:

8 (a) The lowest necessary to maintain actuarial solvency of the
9 accident and medical aid funds in accordance with recognized insurance
10 principles; and

11 (b) Designed to attempt to limit fluctuations in premium rates.

12 (2) The department shall formulate and adopt rules ((and
13 regulations)) governing the method of premium calculation and
14 collection and providing for a rating system consistent with recognized
15 principles of workers' compensation insurance which shall be designed
16 to stimulate and encourage accident prevention and to facilitate
17 collection. The department may annually, or at such other times as it
18 deems necessary to ((maintain solvency of the funds)) achieve the
19 objectives under this section, readjust rates in accordance with the
20 rating system to become effective on such dates as the department may
21 designate.

22 ((+2)) (3)(a) After the first report is issued by the state
23 auditor under section 1, chapter . . . (Substitute House Bill No. 1856
24 or Substitute Senate Bill No. 5614), Laws of 2005, the workers'
25 compensation advisory committee shall review the report and, as the
26 committee deems appropriate, may make recommendations to the department
27 concerning:

28 (i) The level or levels of a contingency reserve that are
29 appropriate to maintain actuarial solvency of the accident and medical

1 aid funds, limit premium rate fluctuations, and account for economic
2 conditions; and

3 (ii) When surplus funds exist in the trust funds, the circumstances
4 under which the department should give premium dividends, or similar
5 measures, or temporarily reduce rates below the rates fixed under
6 subsection (1) of this section, including any recommendations regarding
7 notifications that should be given before taking the action.

8 (b) Following subsequent reports issued by the state auditor under
9 section 1, chapter . . . (Substitute House Bill No. 1856 or Substitute
10 Senate Bill No. 5614), Laws of 2005, the workers' compensation advisory
11 committee may, as it deems appropriate, update its recommendations to
12 the department on the matters covered under (a) of this subsection.

13 (4) In providing a retrospective rating plan under RCW 51.18.010,
14 the department may consider each individual retrospective rating group
15 as a single employing entity for purposes of dividends or premium
16 discounts.

17 NEW SECTION. Sec. 2. Section 1 of this act applies to industrial
18 insurance rates adopted by the department of labor and industries that
19 take effect on or after January 1, 2008."

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20 On page 1, line 1 of the title, after "rates;" strike the remainder
21 of the title and insert "amending RCW 51.16.035; and creating a new
22 section."

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