
HOUSE BILL 1070

State of Washington

59th Legislature

2005 Regular Session

By Representatives Fromhold, Conway, Campbell, Hunt, Chase, Sells, Williams and Wood

Read first time 01/13/2005. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the department of labor and industries'
2 retrospective rating program; amending RCW 51.16.035; adding a new
3 section to chapter 51.18 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.18 RCW
6 to read as follows:

7 With respect to any coverage period ending on or after the
8 effective date of this act, an entity sponsoring a retrospective rating
9 group may not retain from any refund or dividend paid by the department
10 to the entity an amount equal to more than ten percent of the refund or
11 dividend for the coverage period, less any enrollment fees paid by
12 members of the retrospective rating group to the entity for the
13 coverage period.

14 **Sec. 2.** RCW 51.16.035 and 1999 c 7 s 8 are each amended to read as
15 follows:

16 (1) The department shall classify all occupations or industries in
17 accordance with their degree of hazard and fix therefor basic rates of
18 premium which shall be the lowest necessary to maintain actuarial

1 solvency of the accident and medical aid funds in accordance with
2 recognized insurance principles. The department shall formulate and
3 adopt rules and regulations governing the method of premium calculation
4 and collection and providing for a rating system consistent with
5 recognized principles of workers' compensation insurance which shall be
6 designed to stimulate and encourage accident prevention and to
7 facilitate collection. The department may annually, or at such other
8 times as it deems necessary to maintain solvency of the funds, readjust
9 rates in accordance with the rating system to become effective on such
10 dates as the department may designate.

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

15 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

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