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SENATE BILL 6699

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State of Washington

61st Legislature

2010 Regular Session

By Senators Becker, Haugen, Holmquist, Parlette, King, Swecker, Pflug, Stevens, Delvin, and Roach

Read first time 01/21/10. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to the rating system for workers' compensation  
2 insurance; and amending RCW 51.16.035.

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

4 **Sec. 1.** RCW 51.16.035 and 2005 c 410 s 1 are each amended to read  
5 as follows:

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

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

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

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

1 rating system to become effective on (~~such dates as the department may~~  
2 ~~designate~~) January 1st. Rate notices shall be sent to all employers  
3 by November 1st of each year indicating the rate that will apply for  
4 the following calendar year.

5 (3)(a) After the first report is issued by the state auditor under  
6 RCW 51.44.115, the workers' compensation advisory committee shall  
7 review the report and, as the committee deems appropriate, may make  
8 recommendations to the department concerning:

9 (i) The level or levels of a contingency reserve that are  
10 appropriate to maintain actuarial solvency of the accident and medical  
11 aid funds, limit premium rate fluctuations, and account for economic  
12 conditions; and

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

18 (b) Following subsequent reports issued by the state auditor under  
19 RCW 51.44.115, the workers' compensation advisory committee may, as it  
20 deems appropriate, update its recommendations to the department on the  
21 matters covered under (a) of this subsection.

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

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