

**CONCISE EXPLANATORY STATEMENT (CES)
2024 Reporting and Classification Amendments**

Chapter 296-17 WAC, General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance; and Chapter 296-17A WAC, Classifications for Washington Workers' Compensation Insurance

The date of adoption for this rule: November 21, 2023

The effective date for this rule: January 1, 2024

1. Purpose of rulemaking:

Classification Development's goal is to implement clear rule writing to ensure staff and customers can easily understand and apply the workers' compensation insurance classification and reporting rules. Classification Development studied some subclassifications for potential reduction in number; and reviewed classification and reporting rules for improvement and clarification.

The purpose of this rulemaking is not to make substantive changes to how employers are classified and amendments will not increase employer rates. As part of this rulemaking, L&I also reviewed these chapters for need, clarity, and consistency to make changes where possible to reduce the regulatory burden on employers insured with the State Fund.

L&I is required by law to establish and maintain a workers' compensation classification plan that classifies all occupations or industries in accordance with their degree of hazard and in a manner consistent with recognized insurance principles (RCW 51.16.035). We amended some classifications to increase ease of reporting, and ensure consistent and equitable treatment to businesses.

Also as a part of this rulemaking, L&I updated the trucking reporting and classification rules based on recommendations from a cross-divisional workgroup. These updates clarify L&I's practice of determining interstate or intrastate trucking based on where the driver drives rather than the location of the load being hauled.

Lastly, L&I changed the word "servant" to "worker" in Classification 6510 Domestic servants/home care assistance employed in or about the private residence of a home owner, as "worker" is a more respectful term. We've had requests from industry to change this language. We look forward to any opportunity in the future to update RCW 51.12.020 to make the same improvement.

2. Differences between the rule as adopted and the proposed rule:

There are no differences between the adopted rule and the proposed rule.

3. Comments on proposed rule:

The public comment period for this rulemaking began August 22, 2023, and ended September 26, 2023. A public hearing was held on September 26, 2023, via Zoom.

Sixteen non-L&I people attended the hearing, but no one gave testimony. After the hearing closed, several people from the trucking industry asked questions about the clarifying trucking changes. We addressed their concerns to their satisfaction.

We received no written comments, however we answered emailed questions from the trucking industry regarding the clarifying updates in the rulemaking, satisfying their concerns.

The emailed questions and the questions after the hearing and our responses:

- Does this change the rate for trucking? A: No.
- What is changing for trucking? A: The main change is clarifying that L&I uses the movement of the driver rather than the load to determine if trucking is interstate or intrastate.
- Will this change the reciprocal agreement with Idaho with regard to trucking? A: No.